FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Latin America

FBIS-LAT-90-012
Thursday
18 January 1990

Daily Report
Latin America

FBIS-LAT-90-012 CONTENTS *18 January 1990*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Presidents To Hold 'Informal' Summit in Honduras *[Hamburg DPA]* 1

CARIBBEAN

Cuba

Superpowers' Veto Right Termed 'Unjust' *[Havana Radio]* 2
* Weekly Explains Reasons for Changes in GDR *[BOHEMIA 17 Nov]* 2
Risquet Meets With Swiss Labor Party Leader *[Havana Radio]* 5
Rio de Janeiro Governor Arrives for Visit *[Havana TV]* 5
Agreement Signed With Austrian Friendship Group *[Havana TV]* 5
CTC Discontinues Socialist Emulation Awards *[Havana TV]* 5

Antigua and Barbuda

Minister Criticizes UK Telecommunications Firm *[CANA]* 5

Barbados

All-Caribbean Format for Radio Rejected *[CANA]* 6

British Virgin Islands

Memo of 'Understanding' on Trafficking Signed *[CANA]* 7

Haiti

Further on Avril's Return From Taiwan *[Port-au-Prince Radio]* 7
    MDN Reacts *[Port-au-Prince Radio]* 8
Pressure Group Becomes Political Party *[L'UNION 16 Jan]* 9

Jamaica

Minister Hints Terms of IMF Agreement 'Tough' *[CANA]* 9

MEXICO

Salinas: No 'Foreign Pressure' in Drug Struggle *[Mexico City TV]* 10
New Navy Commander Reaffirms Antidrug Struggle *[Mexico City TV]* 10
Honduran President-Elect Callejas Visits Country 10
    Meets With Foreign Minister *[NOTIMEX]* 10
    Addresses Area Issues *[Madrid EFE]* 10
* Former UNOMASUNO Head Denounced 11
    * Current Editor Criticized *[PROCESO 4 Dec]* 11
    * Open Letter to President *[PROCESO 4 Dec]* 13

CENTRAL AMERICA

Costa Rica

Minister Denies Knowledge of Contras in Territory *[San Jose Radio]* 15

El Salvador

Merino Leaves Interior Post; Coup Rumors Denied *[ACAN]* 15
Benavides Denies Involvement in Jesuits' Murder *[ACAN]* 15
Government Proposes Resuming Talks With FMLN *[Madrid EFE]* 16
'Fierce Clash' With Guerrillas in San Salvador *[AFP]* 16
Army Reports FMLN Offensive Deaths, Damage *[ACAN]* 16

Honduras

Cinchonero Rebels Allowed to Operate in Managua *[Hamburg DPA]* 17
Interview With President-Elect Callejas *[Tegucigalpa TV]* 17

Nicaragua

UNO Violates Electoral Law; Leaders Arrested *[Managua Radio]* 24
UNO March Disrupted *[Managua Radio]* 24
Chamorro Message to the 'People of the World' *[LA PRENSA 16 Jan]* 24
Chamorro Interviewed Upon Return From U.S. *[Managua Radio]* 25
Godoy Speaks on Election Campaign *[Managua Radio]* 26
UNO Claims 'Not Enough Electoral Guarantees' *[Managua Radio]* 27
USSR Envoy on Continued Cooperation, Solidarity *[Managua TV]* 27
Ortega on Fight Against 'Skyrocketing' Prices *[Managua Radio]* 28

Panama

Peruvian Charge d'Affaires Departs Country *[ACAN]* 28
Government Employees Protest 'Mass Dismissals' *[ACAN]* 28
CONATO Communique on Current Situation *[LA ESTRELLA DE PANAMA 12 Jan]* 29
Endara Comments on Solis Palma Asylum Request *[Panama City TV]* 30
Cartoon Calls for Southern Command Ouster *[LA PRENSA 11 Jan]* 31
Chamber of Commerce President Views Recovery *[LA PRENSA 14 Jan]* 31
PPA Faction Seeks To Recover Party Symbols *[CRITICA LIBRE 15 Jan]* 32
Comptroller Discloses Military Use of Funds *[Panama City TV]* 32
Public Force To Have Police Directorate *[EL PANAMA AMERICA 14 Jan]* 32
Public Force Continues Purge of FDP Members *[AFP]* 33
Noriega Elements Reportedly Plan Terrorist Acts *[EL SIGLO 16 Jan]* 33
Dignity Battalion Members Reportedly Rob Bank *[Panama City TV]* 33

SOUTH AMERICA

Argentina

Senator Comments on Possible Ambassador to UK *[Buenos Aires Radio]* 34
Police Conflict in San Juan Becomes Aggravated *[Buenos Aires Radio]* 34
Economy Minister Previews New Measures *[BUENOS AIRES HERALD 14 Jan]* 34
Presidential Adviser, Other Officials Named *[TELAM]* 34
Economic Secretary, Central Bank Chief Named *[BUENOS AIRES HERALD 12 Jan]* 35
Economic Coordination Secretary Takes Office *[TELAM]* 35
CNEA To Be Subordinate to Presidency Again *[LA PRENSA 13 Jan]* 35
YPF Trustee Resigns; Replacement Appointed *[TELAM]* 35
Imprisonment for Traffickers in Fontana Case *[Buenos Aires Radio]* 35
Further Arrests in Case *[Buenos Aires Radio]* 35
Villa Martelli Garrison Scene of Firing 17 Jan *[DYN]* 35
Buenos Aires Channel 13 Handed Over to Argentar *[LA PRENSA 12 Jan]* 36

Channel 11 Privatized *[BUENOS AIRES HERALD 16 Jan]* 36
3 Detained With Military Weapons, Pamphlets *[TELAM]* 36
Libyan Consul in Mendoza Said Electrocuted *[LA PRENSA 12 Jan]* 36
Libyan Charge Denies Report *[BUENOS AIRES HERALD 16 Jan]* 36

Bolivia

President Paz Zamora Addresses Nation *[La Paz TV]* 37
Paz Says Trafficking Worth $1.5 Billion Annually *[La Paz Radio]* 42
Paz Announces 'More Active' Foreign Policy *[La Paz Radio]* 43
Senate Approves Extradition of Former Minister *[TELAM]* 43
Armed Forces Role in Drug Fight Depends on Aid *[PRESENCIA 9 Jan]* 43
Official Comments on Importance of Drug Summit *[EL DIARIO 7 Jan]* 44
Spain Donates Equipment To Fight Drug Traffic *[La Paz Radio]* 45
Official Civilian-Military Delegation Visits Cuba *[PRESENCIA 7 Jan]* 45
Interior Minister on Violence, State of Siege *[La Paz Radio]* 45
Peasants To Rally Over DEA Agent Incident *[Madrid EFE]* 45
Bomb Explodes at National Institute of Statistics *[La Paz Radio]* 46
Minister on Air Navigation Radar Deployment *[La Paz Radio]* 46
Aeronautics Military Under Secretary Installed *[La Paz Radio]* 46
Commentary Views Communist Party Situation *[La Paz Radio]* 46
* PRC Offers Funds for Industrial Development *[HOY 8 Dec]* 47
* Plans for FRG Cooperation Outlined *[HOY 3 Dec]* 47
* New Cuban Ambassador Presents Credentials *[HOY 9 Dec]* 48
* Military Relations With Cuba Unchanged *[HOY 11 Dec]* 48

Brazil

Cancellation of Colombia Blockade Termed 'Wise' *[Brasilia Radio]* 49
President-Elect Appoints Cabinet Ministers 49
Navy, Army, Aeronautics Ministers *[Rio de Janeiro TV]* 49
Justice Minister *[Rio de Janeiro TV]* 49
Strike Paralyzes Oil Refineries Nationwide *[Rio de Janeiro TV]* 50
Major Rio de Janeiro Drug Trafficker Arrested *[Rio de Janeiro TV]* 50

Colombia

'Extraditables' Urged To End Kidnappings, Drugs *[Bogota TV]* 50
Issue Communique Accepting Defeat *[Bogota TV]* 51
2 Members To Be Extradited *[Hamburg DPA]* 51
Politicians, Businessman Comment *[Bogota TV]* 51
Government Minister Comments *[Bogota TV]* 52
Offered 'Guarantees,' Not 'Deals' *[AFP]* 52
Rules Established for Vessels Off Coast *[EL TIEMPO 8 Jan]* 52
Editorial on U.S. Naval Presence Controversy *[EL TIEMPO 9 Jan]* 53
Law on Illegal, Seized Properties Approved *[Madrid EFE]* 54
Government Minister on Rebels, Kidnappings *[Bogota Radio]* 55
Simon Bolivar Guerrilla Proposals for Dialogue *[Bogota TV]* 55
UP To Continue Campaign; Seek Protection *[Bogota TV]* 55
Authorities Arrest 11 EPL Guerrillas *[Bogota Radio]* 56
* Presidential Candidate Lloreda Discusses Views *[EL TIEMPO 5 Nov]* 56
* UP Candidate Discusses Political Platform *[EL TIEMPO 27 Nov]* 58
* Medellin Mayor Deplores Rise in Murder Rate *[EL TIEMPO 24 Nov]* 60
* Government Increases Minimum Wage by 25 Percent *[EL TIEMPO 21 Dec]* 60
* Industrial Sector Experiences Slight Growth *[EL TIEMPO 13 Dec]* 61
* Agrarian Reform Covers 90 Percent of Territory *[EL TIEMPO 30 Nov]* 62
* Solutions Sought To Sustain Coffee Market *[EL TIEMPO 3 Dec]* 63

Paraguay

Opposition Leader Meets Chilean President-Elect *[HOY 12 Jan]* 64

New PDC Authentic Revolutionary Movement Formed *[HOY 13 Jan]* 65
Argentine Payment of Energy Debt Requested *[HOY 13 Jan]* 65
Salary, Bus Fares, Fuel, Utility Rates Adjusted *[ABC COLOR 17 Jan]* 65

Peru

Garcia on Relations With Panama, Drug Summit *[Lima TV]* 65
Larco Cox Labels Former Envoy 'Agitator' *[Lima TV]* 66
Defense Minister Retained; Central Bank Head Out *[Lima TV]* 66

Uruguay

President-Elect Lacalle Chooses New Ministers 66
  Economy Minister Named *[LA DEMOCRACIA 12 Jan]* 66
  Interior Minister Designated *[LA DEMOCRACIA 12 Jan]* 66
  Defense Minister Selected *[DYN]* 67
Future Minister, Argentine Counterpart Meet *[Madrid EFE]* 67

Venezuela

Foreign Minister Comments on Quayle Visit *[Hamburg DPA]* 67
Opposition Leader Says Quayle Visit 'Unsuitable' *[AFP]* 68

Guyana

Parliament Session To Resume 24 Jan *[CANA]* 68
Government To Sell Trading Corporation Assets *[CANA]* 68
Ministry Monitors Dengue Fever Situation *[CANA]* 68

Suriname

Brunswijk Denies Attack on Moengo Impending *[Paramaribo International]* 69
Brunswijk Says Peace Process Not Endangered *[Paramaribo International]* 69
Gasoline, Diesel Oil Price Hikes Approved *[Paramaribo International]* 69

Presidents To Hold 'Informal' Summit in Honduras

PA1701232090 Hamburg DPA in Spanish 2107 GMT 17 Jan 90

[Text] San Jose, 17 Jan (DPA)—It was confirmed today that the summit of Central American presidents will be held in Tegucigalpa, Honduras on 27 January.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto announced at midday today that "the summit will be attended by Presidents Vinicio Cerezo (Guatemala), Rafael Leonardo Callejas (Honduras), Alfredo Cristiani (El Salvador), Daniel Ortega (Nicaragua), and Oscar Arias (Costa Rica).

Madrigal pointed out that it will be "an informal summit without an agenda so, taking advantage of their presence in Tegucigalpa for the inauguration of the new Honduran president, the five Central American presidents can exchange general impressions."

Regarding the next formal summit, Madrigal Nieto pointed out that "it is scheduled for March 1990, but in Managua, Nicaragua."

Madrigal also said "the five Central American foreign ministers will also meet separately in Tegucigalpa on 27 January to examine the region's general situation.

Cuba

Superpowers' Veto Right Termed 'Unjust'

FL1701232590 Havana Radio Reloj Network in Spanish 2232 GMT 17 Jan 90

[Text] Today Cuba termed the veto right some superpowers have in the UN Security Council unjust and irritating. The council met this Wednesday to analyze the search of the residence of the Nicaraguan Ambassador to Panama perpetrated by the U.S. occupation troops in the isthmian country.

Oscar Oramas, Cuban representative to the United Nations, told the press that the U.S. negative vote on the resolution submitted by the nonaligned countries shows Washington's arrogance and lack of respect for international laws. Oramas recalled that the invaders have harassed diplomatic officials many times. Not only Nicaraguans have been subjected to harassment, but also Cuban personnel, and especially our ambassador.

Despite the favorable vote of 13 of the 15 members of the UN Security Council and the UK's abstention, U.S. diplomats blocked the approval of a document condemning its actions in Panama. The draft says the events in the isthmian country constitute a violation of the immunity recognized in the Vienna Accord regarding diplomatic and consular relations. Without mentioning the Yankee invasion in Panama, the text rejected by the United States in the United Nations demanded the respect of international law, which guarantees the immunity of diplomats and the inviolability of the missions.

As he opposed the document's approval, U.S. Ambassador Thomas Pickering alleged that the situation with the Nicaraguan Embassy in Panama does not fall within the scope of the Security Council.

* Weekly Explains Reasons for Changes in GDR

90EM0066A Havana BOHEMIA in Spanish 17 Nov 89 pp 68-70

[Article by Elsa Claro: "The GDR: Skirting a Predicament"]

[Text] The rapidity of developments in the GDR puts observers in a far from comfortable position in assessing them, let alone venturing predictions. Nevertheless, such momentous, far-reaching events cannot be ignored, nor can an analysis be shirked.

Substantial changes took place in just a few days in the apparatus of the party and the government, as both were virtually overhauled. State borders were opened, a measure which in our judgment illustrates the intentions that are behind the announced changes and that must be approved soon by the Chamber of the People and the Congress of the Socialist Unity Party of Germany [SED]. The two levels of leadership will have to reaffirm the announced plan of measures through which the changes designed to meet the population's demands will be channeled.

The above are the bare facts, a summary of the salient developments that have captured the world's attention and brought on one of the heaviest press coverages in memory. As we will see, chance played no role in all this. Now we must delve into the genesis of the phenomenon.

So, let's go back just 2 months, when the emigration of East Germans into the FRG intensified, reaching a level of close to 200,000 persons. This exodus shows us the tip of the iceberg but not its summit [as published] or its base, which is where we must penetrate if we want to ascertain the genesis of these stormy times.

Where's the Center?

The developments that we see unfolding are a surprise to many, including the West Germans, and there could be more. If we look into the background of the causes, we will find factors that were somewhat beneath the surface and that have come to light with largely unsuspected force.

When Egon Krenz took over as chief of the SED last October, he admitted in his first remarks that the assessments by the State and the political organ in addressing the protests that had been under way were unrealistic. This is a key point.

We now know and accept that the discontent over a series of domestic issues existed before and kept mounting, without striking responsive cords or being dealt with opportunely; if it had, perhaps the current crisis could have been headed off.

One of the factors that prompted first uneasiness and then unrest was the weakening of bonds between the masses and those holding the reins of the nation. The workers were complaining that their proposals were not being listened to by any of the organizations and channels created for that purpose. This gradually led to less and less involvement for the workers in solving production and social problems. To a degree they felt ignored, since they were being taken into account only as far as meeting their quotas was concerned.

Concurrently, a tendency not to accept opinion or criticism about what was not working well seems to have prospered. This spread to the mass media, which almost exclusively reported the indeed unquestionable successes but avoided describing domestic and foreign life in all its diversity.

The lack of criticism from the press was rooted in the intense ideological proselytism coming from the FRG, above all, whose radio and television broadcasts are easily picked up in the GDR. The leaders from this sector argued that they could not give the enemy more ammunition for its already extensive destabilizing agenda.

A Very Heavy Millstone

According to various sources in the country and recent pronouncements, formalism [making things look good when unwarranted] took root in various spheres of society. This is regarded as one of the most recognizable, common, and damaging millstones of socialist democracy because it engenders other ills. Thus, the sessions of the Parliament (Chamber of the People) unfolded without debate or speeches of interest, without the slightest objections by anyone, no matter how important the issues, until "unanimous" votes were taken.

Using the same example, we note that the four parties in the GDR besides the SED failed to play a creative role and merely followed the courses that had been charted, even if they disagreed with them.

Something similar was going on in administrative bodies in towns, which were failing to tackle the specific problems of each region. In other words, they settled for following instructions "from above" without weighing the peculiarities and requirements of each locality. And word has it that if activities, plans, or initiatives arose, they were not well looked upon.

The unions, for their part, gradually lost their essence and like other levels and sectors merely followed orders without taking into account the interests of the workers, thus robbing the country itself of the vigor that the masses can inject if they play an active role in national life.

This pattern, which Guenter Schabowski (a member of the Politburo) described as a "lack of democracy," spread to party activists, who received no responses to their complaints, appeals, or realistic approaches to various problems.

According to various indications, this widespread lack of involvement in national life and the ineffectiveness of channels fostered the practice of placing personal interests first. We need not discuss how dangerous such a symptom is, especially if it spreads to young people. According to observers, this was one of the causes of the emigration.

What's Happening in the Economy?

Just as we sought a starting point for analyzing the, shall we say, subjective aspects, we need to do likewise in this regard, too. We must acknowledge that for some time now the GDR has enjoyed the sort of economic status that we cannot ignore if we want to avoid lapsing into inaccuracies or improper comparisons.

In spite of the level of development that it has achieved (surpassing even that of many capitalist countries), the country fell prey to distortion-causing policies, such as the lack of correspondence between productivity and wages and a somewhat disproportionate investment policy.

This facet of the matter cannot be addressed or even understood unless we place the GDR in its context. Outside of their setting many things would be incomprehensible to other nations and individuals. For example, a greater desire to travel is typical of people who live on a mainland and have a tradition of taking trips from one place to another, especially when they can afford it, as is the case.

Above all, however, the fact that the country shares a border, a language, and a culture with the FRG, one of the capitalist enclaves that have coped best with the highly charged world economic situation, has a decisive influence. Indeed, the FRG is the world's second largest creditor, after Japan. Moderately or highly developed Western nations owe it money. The total comes to $215 billion, from which Bonn receives large annual returns, aside from the trade surplus that it enjoys. All of this has accorded the country a certain degree of affluence during this period, and although it is not equally distributed among the population, it is widespread enough to lure and tempt many neighbors.

The existence of friends and relatives "on the other side" and the impact of direct radio and TV broadcasts have led to comparisons. And it is a fact that the FRG has been able to take quick advantage of the scientific and technological revolution and that this has contributed to its development. As in Japan, where the military does not account for much of the gross domestic product either, the technological advances and the financial prosperity to which I have referred are considerable, unlike the debt-ridden United States, for example. This should help us to grasp something that often seems to be overlooked.

Yet some 2 million people are completely unemployed in the FRG, and several hundred thousand are working half-days. Meanwhile, the GDR has to hire foreign workers because its own work force is too small. Even though comparisons are lame, I am making them in this instance because when people look "over there" they tend not to see these blemishes.

What I mean is that the residents of the GDR have a high standard of living and enjoy all of the guarantees inherent in the system, especially if they are compared with, shall we say, a Third World country. It seems, however, that in certain cases people react by wanting more than they have, even if this is a great deal. I am not criticizing, I'll have you know; I am just citing facts and differences, speaking objectively, without saying that anyone is right or wrong.

We established initially that factors in the slippery realm of the subjective came together, and I do not downplay them because I think that the qualitative sum of many subjective factors gives rise to others that even if they are not objective, act as if they were.

Let us examine this comment: "Economic contradictions sharpened quickly in the 1980's....They stem from our inability to seek solutions in a consensus with party activists and the population." The words were spoken by Egon Krenz at the 10th Plenum of the SED. At that gathering he set forth the general guidelines for immediate future action; in the economic arena it was designed "to combine the advantages of socialist planning with the stimulative effects of the market." He also noted that a flexible system capable of continually renewing itself would develop.

In this speech he admitted that "the principle that only what has previously been produced can be consumed was violated" and that "...output lagged behind the goals charted in the plan, while consumption, housing construction, and many spheres of social policy grew much faster than expected...."

And, we ask ourselves, if output lagged behind consumption and the benefits that were received, what mechanism failed? Could it have been a lack of interest among the people who were left out? But note that even in this self-criticism something that we mentioned before and that it would not be pointless to repeat is implicit. We are dealing with a group of people who have enjoyed abundance in meeting their needs and then some. Another element: the concern of the State with spreading around and increasing the number of goods that all can enjoy. I repeat, therefore, that the qualitative aspect of this matter must unquestionably be studied by philosophers, economists, and men of good and unprejudiced will.

The Alternatives

As we stated before, there are four parties besides the SED in the GDR. There were resignations and changes in them, too. After the authorities accepted a dialogue with the masses, probably as a result of the mass demonstrations, they put forth some ideas suggesting courses of action. At the same time and against the same backdrop, alternative groups began gaining strength. One of them is New Forum, which seems to have support, as reflected if not by its membership, at least by the sort of demands that it has so far made. They at least are proclaiming that they do not intend to stray from the constitution but rather to operate within it. Their principles have to do, above all, with ethics and opposition to certain privileges, which although they may not seem too widespread or outlandish, as elsewhere, have existed. They have also come out in favor of a legal framework that would guard against the factors that are behind what they call "a lack of perspective, a state of widespread resignation." This is somewhat strong language, but it has been used by others in various sectors and circles as well.

The demands of these groups and parties were heeded by the GDR's new leaders, who intend to draft a new electoral law that will "guarantee free, general, democratic, and secret elections."

In the same way, "the political bureau of the Central Committee believes that the new civic movements that seek to act within the constitution ought to be legalized....We want to and can carry out the revolutionary changes to which we aspire through our party's social strategy, through in-depth reforms in cooperation with all of the forces so disposed...."

As a result of the aforementioned developments, the SED has, of course, lost credibility and runs the risk, in the new setting, of losing the predominant position that it has held until now. Several leaders admitted this, although they immediately asserted that they would fight to regain ground. Such is the ferment, however, that whether they will achieve their goal cannot be predicted. The large demonstrations that party activists have called are encouraging, nevertheless, bearing witness to renewed resolve within the brief and stormy period during which so many things have happened.

On the Other Side

As is common during traumatic experiences such as the one we are commenting on, not all that glitters is gold. When citizens of the GDR began leaving for the FRG, there were spectacular welcomes and a big flurry of publicity about the newcomers.

Things look different now, in spite of Helmut Kohl's repeated assertions that it is a "national task" and that there is room for everyone. But it was no accident that he cut short his visit to Poland when he heard the news that the border between the two Germanies had been opened, and he hastened to strengthen ties with Egon Krenz by holding at least two meetings with him.

Unrest in the FRG is mounting, both among the natives and among those who have turned their backs on their homes and their comforts. The number of news dispatches reflecting opposition to the arrival of the East Germans is increasing. All reserves of lodgings and jobs are said to have been exhausted. That must be the case, inasmuch as the immigrants have been installed in barges, brothels, barracks, and even U.S. aircraft hangars.

"...Moreover, certain refugees have begun to protest their lodgings, which are at times devoid of the most elementary amenities. The Wiesbaden Red Cross has criticized local regulations, under which since 1 October a shelter charges rent of 700 marks (some $250) a month for a family of four, the amount being deducted from the 1,200 marks ($600) in aid that they receive from public funds.

"In Hamburg, where hundreds of refugees have been living for a month in trailers and barges, a family of four lodged in a 9.5-square-meter dwelling has to pay the authorities 324 marks, when the social aid that it receives is 800 marks." (AFP)

While such developments take place, surprise in various world capitals at these events and their pace has given rise to ambivalent and even contradictory reactions. Since there has been speculation about German reunification, more than a few people are saying that they are not afraid of it but are losing sleep over such an eventuality. The general feeling is that the balance in Europe, an issue that has been dusted off once again and hashed over, with novel interpretations, rests on the current division of the continent.

As for the GDR, its highest authorities have asserted that it does not accept reunification. Strategies will reportedly change, but the socialist underpinnings of what has so far been an edifice of unquestionable value, in spite of the current vicissitudes, will be retained.

On "the other side" I assume that the appropriate good sense will prevail. While the rejuvenation of their population and the influx of new skilled laborers benefit them, the fact that the proportions have exceeded their own expectations is indeed hurting them.

It was said at the 10th Plenum of the SED that "without underestimating the enemy's influence, his intentions, and his campaigns against socialism in the GDR, we have to confess that it is in our own country that we must seek the causes of this emigration that is so painful for our society."

The SED congress has been moved up to this December. In light of current events we can expect the gathering to make other changes and to define the policies that the plenum has outlined.

The steps that have been taken are encouraging. I said and I repeat that predictions are dangerous, but I would venture to say, with cautious optimism, that the GDR can escape from this predicament.

Risquet Meets With Swiss Labor Party Leader

FL1701161590 Havana Radio Reloj Network in Spanish 1502 GMT 17 Jan 90

[Text] Jorge Risquet Valdes, member of the Politburo and secretary of the party Central Committee, received Jean Spielmann, secretary general of the Swiss Labor Party. During the last 2 weeks Spielmann has visited various places in our country, and he stated that he had gotten a positive impression of the revolution's progress in medicine, education, and construction in only 30 years and in spite of a constant blockade

In the talks between Jorge Risquet Valdes and the leader of the Swiss Labor Party, Jean Spielmann, there was an exchange about the accelerated process of changes that have taken place in Eastern Europe and how this situation is viewed by the political forces in Western Europe. Both leaders were in complete agreement that the situation in the socialist countries is complex and that it is still difficult to evaluate its final results.

Rio de Janeiro Governor Arrives for Visit

FL1701192890 Havana Tele Rebelde Network in Spanish 1800 GMT 17 Jan 90

[Text] Wellington Moreira Franco, governor of Rio de Janeiro State, yesterday arrived in Cuba at the head of a delegation from that important Brazilian state.

Moreira Franco was received this morning by Pedro Chavez, president of the people's government in Havana City Province. After welcoming the distinguished visitors, Chavez described the characteristics and the role of the people's governments in our country and reviewed the main projects under way in Havana City. Among them, Chavez emphasized first those projects designed to transform the city—the housing projects, social projects, roads, and draining and sewage systems. Chavez also referred to studies under way to improve transportation facilities in the city.

Upon giving thanks for the invitation extended to him, the Rio de Janeiro governor expressed interest in strengthening working relations, especially in the area of health, keeping in mind the international prestige earned by Cuba in this field.

Agreement Signed With Austrian Friendship Group

FL1801015290 Havana Television Service in Spanish 0100 GMT 18 Jan 90

[Text] A cooperation agreement was signed today between the Austrian-Cuban Friendship Association and the Cuban Institute of Friendship with the Peoples [ICAP]. Dr. [name indistinct], president of the Austria-Cuba Friendship Association, signed the document for the Austrian side. Rene Rodriguez, president of the Cuban institute, signed it for the ICAP. The Austrian-Cuban Friendship Association was founded 22 years ago. The agreement intends to promote historical dates of mutual interest in the two countries as well as matters of social, economic, cultural, and political interest.

CTC Discontinues Socialist Emulation Awards

FL1701141990 Havana Tele Rebelde Network in Spanish 1331 GMT 17 Jan 90

[Text] The commission organizing the 16th congress of the Cuban Workers Federation [CTC] has agreed not to award the banners that were presented annually for socialist emulation to various trade union management organizations [organismos sindicales de direccion]. Each year, the national CTC organization presented these banners and other moral incentives to national trade unions and provincial and municipal organizations. Henceforth, the best work of the trade union management organizations will be acknowledged at an internal meeting of the CTC committee or the National Council. Socialist emulation will continue.

Antigua and Barbuda

Minister Criticizes UK Telecommunications Firm

FL1701204090 Bridgetown CANA in English 1826 GMT 17 Jan 90

[Text] St John's, Antigua, Jan 17, CANA— Antigua and Barbuda's Communications Minister Vere Bird Jr says the British firm Cable and Wireless Ltd has a stranglehold on telecommunications here.

"Cable and Wireless has everything wrapped up," he said during a radio call-in programme this week. "They have exclusive rights over certain sections where previously the government had a say. Government no longer has a say in anything," Bird complained.

"Cable and Wireless is granted exclusive licence for telecommunications services between and through Antigua and Barbuda. They were given the exclusive rights to install, lease and service all telecommunications apparatus, which includes every imaginable technology, from now until the year 2012."

The minister said the government under the deal receives only EC 10,000 dollars (1 EC dollar = 37 U.S. cents) per year and cannot re-negotiate for 10 years. "They have the right to the year 2012 to exclude the government of all new technologies," Bird remarked.

Since taking up the communications portfolio, Bird has been expressing his disapproval over the control Cable and Wireless enjoys on telecommunications in the country.

"Most of our people who make decisions are not technically inclined. Cable and Wireless has been negotiating with people who are not familiar with telecommunications terms, the normal negotiating positions one would take in negotiating with a national asset," Bird charged.

"What I do honestly believe is that Cable and Wireless was able to use its superior knowledge on most of our legislators, who only know how to turn on a switch and turn off a switch," he added.

Bird said that the agreement between Cable and Wirless and the Antigua and Barbuda Government should have expired in 1993 but was extended to 2012 without his ministry being notified.

Barbados

All-Caribbean Format for Radio Rejected

FL1701222790 Bridgetown CANA in English 2046 GMT 17 Jan 90

[Report by Trevor Simpson]

[Text] Bridgetown, Barbados, Jan 17, CANA—A clash between two top executives of Barbados' leading AM radio station over the apparently unauthorised introduction of an all-Caribbean programming format has led to the sacking of the programme director and the resignation of his assistant.

The board of the privately-owned Voice of Barbados (VOB) on January 16 severed its ace programmer Julian Rogers for "gross insubordination." His assistant, another radio veteran, Miss Linda Walrond, quit in sympathy. Rogers, whose penchant for innovation and wide regional broadcast experience helped to establish VOB as the front-runner of the two AM services here, implemented an all-Caribbean music and programme format from the start of this year. His rationale: It was an excellent opportunity to help deepen the Caribbean integration movement, dilute the diet of North American and European music inundating the local airwaves and give the Barbadian and regional music industry more of a serious platform for growth and development.

But Vic Fernandes, who took over as general manager of VOB last August 1, explained January 11 that the move had not been sanctioned by the Board of Barbados Rediffusion Service Limited, operators of VOB, YESS-FM and a wired radio service. Fernandes declined to comment on the firing, but company sources told CANA that last December the programme director was "given specific instructions, verbally and in writing, not to proceed" with his plan.

Rogers contends it was time for a new Caribbean orientation that would stand out in the local market, which has six stations - three FM, two AM and one wire service. The dismissed Rogers told CANA: "The time was right for the station to move in this direction because of the new thrust from the CARIBBEAN NEWS AGENCY and the Caribbean Broadcasting Union, both organisations which have committed themselves to an expanding output of Caribbean material. "The work of CANA and CBU meant that a station like ours did not have to commit huge sums of money to (separate) Caribbean programming, because of these inputs. In addition, Caribbean artists and composers were crying out for a showcase for their material in this market, free of the deliberate competition of North American and European music."

Insiders at VOB say Fernandes, who has more than 25 years experience in the field, was unhappy with the move by Rogers, fearing that it could hamper the station's financial viability and he took the matter to the board. Rogers was summarily dismissed. "As a station which has to earn its way, a fundamental change of policy to Caribbean only, without adequate preparation, could have serious financial implicatiions for the viability of the company," Fernandes said in a statement. Any decision to "shut out music external to the Caribbean would not be taken by VOB without canvassing a wide cross-section of views, including those of the advertising community," he added.

Mark Hunte, president of the Advertising Agencies Association of Barbados, which groups the ad agencies, told CANA he would not have envisaged a problem for an all-Caribbean oriented station here. "I think we have enough (programme) material and it would have an audience. I can't think of many products that wouldn't be used (advertised) on that kind of station. In fact it would help us, in that we'll know (in a market with six stations) exactly what that station was doing," said Hunte, who heads Corbin-Compton in Barbados.

Barbados' leading calypsonian, the mighty gabby, was solidly behind the VOB Caribbean format. Gabby advocates that the region play North American music in inverse proportion to the way they air Caribbean music.

Secretary general of the Barbados-based Caribbean Broadcasting Union, Terry Holder, said he was "particularly fascinated by the whole idea of an all-Caribbean approach..." National systems, he said, have a primary responsibility to their local listeners, but "I think we need to appreciate that we are part of a Caribbean nation," he commented. "From the Caribbean perspective," he said, "it would assist us in our role of exchanging (regional) materials, if we knew there was some positive policy on the usage of Caribbean material." Too much material produced in the region is wasted, Holder said, "because it cannot readily be accommodated on the (radio) systems."

British Virgin Islands

Memo of 'Understanding' on Trafficking Signed

FL1701141290 Bridgetown CANA in English 2119 GMT 16 Jan 90

[Text] Bridgetown, Barbados, Jan 16, CANA— The United States, the United Kingdom and the British Virgin Islands on Tuesday signed a memorandum of understanding to help in the fight against drug traffickers in the Caribbean. The understanding signed in Tortola covers areas of co-operation between the U.S. Coast Guard and the BVI forces of law and order, and will enable representatives of the two forces to travel on each other's vessels on the seas in and around the British Virgin Islands.

"This memorandum is part of the ongoing process to encourage closer co-operation in the fight against drugs and drug trafficking, and is further evidence of the firm commitment and resolution of the U.S., UK and BVI Governments to meet the challenge posed by this serious problem," the British High Commission here reported.

The memorandum was signed by Mark Herdman, the governor of BVI, on behalf of the UK and BVI Governments, and by Admiral Daniel, commander 7th Coast Guard District, on behalf of the U.S. Government.

Haiti

Further on Avril's Return From Taiwan

FL1701180990 Port-au-Prince Radio Nationale in Creole 1200 GMT 16 Jan 90

[Excerpts] The president of the Republic, Lieutenant General Prosper Avril, his wife Marie-Ange, and several members of the delegation that accompanied him to [Republic of] China returned to Port-au-Prince after an 8-day visit to China. Many people went out to the airport to welcome him back. [passage omitted]

Before President Avril spoke, Brigadier General Fritz Romulus, minister of interior and national defense, made a speech to welcome the presidential couple. In his speech, he termed the chief of state's visit to China a unique experience in contemporary annals. Gen. Romulus thanked the Haitian people, who through their unswerving patriotic convictions have shown that they really do have a great deal of political maturity. He said the Haitian people showed the civilized world one of the most beautiful of examples of political maturity.

Gen. Romulus said those who have less faith and who sow disorder—who found the idea of the general's long trip to be impossible and even imprudent—had been very wrong. The general went on the trip to reinforce, even further, his contacts with the eternal China.

Interior Minister Romulus said such people were too concerned with seeking power to realize that the strategy of cooperation among peoples has been redefined, and that international morality at the end of this privileged century (?can bring cultures closer to one another) and (?even) postulate greater mutual understanding among all men for the greater good of mankind. Gen. Romulus stressed to the chief of state, the Haitian people's gratitude. [passage omitted]

The general concluded by saying that unfortunately for them, those who did not acknowledge that the Haitian people were independent and understood politics were mistaken. They had failed rotundly in the initiatives they took, during the president's absence, to disturb the public peace and the fruitful dialogue begun by the president of the Republic after 17 September 1988.

Here is an excerpt from Gen. Romulus's welcome speech to the presidential couple last night at Mais Gate International Airport in Port-au-Prince.

[Begin Romulus recording, in French] Those who, scorning democratic norms, tried to light and carry the torches of discord and to feed fratricidal struggles at the risk of imposing new suffering on a population engaged in a daily battle against the disfiguring scourges of extreme poverty, illiteracy, and illness were once again mistaken and failed pitifully.

General, taking advantage of the fact that you had gone to the front to achieve this henceforth historic diplomatic breakthrough and make new conquests for the benefit of Haiti's working masses, they conceived of blocking the country and getting the people to take to the streets. Faithful to the political legacy of our forefathers, however, our wide-awake urban and rural masses thwarted their macabre maneuvers, thus preventing Haiti from being plunged once again into chaos and anarchy. They did not allow anyone to trouble the fruitful dialogue that you began immediately following 17 September 1988—which will permit, daily, the nation's moral unity, and by means of which the grandeur of the common fatherland is being built.

Mr. President of the military government, at this crossroads in the national life, it is fortunate that, strongly supported by the nation's vital forces, you have undertaken the task of getting Haitian diplomacy off the beaten paths. [passage omitted]

The popular fervor being given free rein this evening at the very entrance to the city will most certainly try the modesty and simplicity—for which you are so well-known—greatly. This rejoicing is the tangible expression of the gratitude of these thousands of fellow citizens and many others throughout the country, along with their determination to choose and to assume, in honor and dignity, the path of their own destiny. Mr. President of the military government, the people are there, getting impatient. You can hear the sounds of their spontaneous and delirious clamor, which conveys the eloquence and effectiveness of the governmental strategies. Under your command, the real nation is ready to assault new citadels. Meanwhile, I turn the reins of power that you entrusted to me upon departing over to you intact, so you can continue to guarantee the national destiny and realize the immense tomorrows that the Haitian people deserve. [end recording]

Then, at the invitation of the chief of protocol, the president of the military government, Lieutenant General Prosper Avril, made a speech.

Gen. Avril first of all reaffirmed his affection, his love, for the Haitian people even before stressing that this visit had permitted him to note that the Haitian people are not alone in the battle. [passage omitted] We will have you listen to an excerpt of the speech made by President Avril last night at Mais Gate International Airport in Port-au-Prince.

[Begin Avril recording] I would like to tell the entire Haitian people that I am proud of their conduct. When I left, I left to take care of matters concerning them. I went to seek means with which to improve the lot of the Haitian masses living in the hills and in the slums [indistinct interjection, applause, and shouting]. I knew you would not agree to support any vile movement that thought it could come plunge the country into civil war again. [applause] [passage omitted]

I noticed how much the Chinese people trust those who have gone to school, who have earned important diplomas and are leading their nation's political destiny. The Chinese people trust these people because the well-educated, knowledgeable political figures in China are responsible people. They will not lead the Chinese people into a mess. They are rooted in China. They are not transients in their country, with all their possessions in Miami or in other countries. These people stay in their country. [applause and indistinct interjections] [passage omitted]

When they try to turn everything here in Haiti topsy-turvy to comply with their personal interests; when certain alleged political leaders try to make the Haitian people believe there is a presidential vacancy when the chief of state leaves on a mission....[changes thought] All chiefs of state go on missions. This never constitutes a vacancy in the presidency! Nevertheless, these people—university professors among them, people who can read among them—are trying to tell the Haitian people that when a president leaves the country this constitutes a presidential vacancy! That is mean! It is immoral! [applause] [crowd shouts: "Bravo"] The elite must get this kind of thing out of their heads. They must stop trying to use every little situation to endanger the public peace, to sully the nation's image—when they are not (?wallowing about in) trash so they can say the government cannot collect the garbage, so they can expose the nation's sovereignty (?to danger). [shouts, scattered applause] It is time this stopped!

[Avril switches to French] It is in peace, harmony, and fraternal understanding, through work and active national unity that we can build our country in the image of the modern nation we have just visited. Let us banish from our social fabric those foreign bodies that sow hatred and division, century-old enemies of the true Haitian people. [passage omitted]

We gained what we went for: [interrupted by shouts and applause] understanding, solidarity, the friendship of a fraternal people ready to share their experiences with the Haitian people and to give them support with a view to increasing national production and creating jobs to allow the Haitian people to [interrupted by applause and shouting] get out of the rut of underdevelopment, a condition essential for fully assuming our destiny of a free, independent, and sovereign people. Therefore, people of Haiti, let's get to work! [shouts and applause] This is the only path to progress and to economic liberation. [end recording]

MDN Reacts

FL1701192190 Port-au-Prince Radio Metropole in French 1500 GMT 16 Jan 90

[Excerpts] [First announcer] Hubert de Ronceray's party, Mobilization for National Development, MDN, is the first to react to General Avril's 15 January speech.

[Second announcer] We read: The MDN has heard the speech made last night, 15 January, by Gen. Prosper Avril at the international airport upon his return from Taiwan. As was to be expected, the general immediately capitalized on the failure of the 12 January strike and 13 January demonstration to conclude that this constitutes a vote of confidence from the Haitian people for his policy and himself. [passage omitted]

The general's speech was, overall, a tough and threatening speech, which inaugurates a new escalation of insecurity and state terrorism.

Gen. Avril did not say he made a personal trip—a quasisecret, improvised trip without objectives, about which the nation was told only 48 hours in advance. He did not talk about how he was received by our compatriots in Miami.

Neither did the general say that the Chinese elite freely chose leaders who built a viable, honest, responsible, political structure—leaders who deserved and have justified their people's trust. He did not say that corruption is severely repressed and punished in China. The general did not say that the success of the Chinese experience became possible following the overthrow of the corrupt, despotic dictatorship of the Manchus thanks to a program introduced and directed by the party Kuomintang and based on three principles: nationalism, democracy, and the people's well-being. The general did not say that leaders and heroes such as Dr. Sun Yat-sen, Commander Chiang Kai-shek, and Presidents Chiang Ching-kuo and Li Teng-hui introduced and encouraged the democratic reforms that permitted Taiwan's economic miracle.

Perhaps the general is forgetting that in the era of computer data banks, the Republic of China does not need a telegram from the opposition to be informed on the real profile of the military government's scandalous and immoral management.

The general is looking for scapegoats among the opposition. He has not, however, realized that the real enemies are not those who denounce errors, abuses, and violations of human rights outright but rather those who, at his side, act like plunderers of government enterprises, terrorists, and cesspool clearers.

When one has led one's people to the bottom of the pit, one can no longer fool others—concludes this communique from the MDN's information service.

Pressure Group Becomes Political Party

FL1701195690 Port-au-Prince L'UNION in French No 284, 16 Jan 90 p 6

[Excerpts] The coordinating committee of the political organization known as the Liaison of the Democratic Forces [LFD] held the first national congress of this group for political combat and pressure in Cote Plage [area in the Carrefour section of Port-au-Prince] on Saturday, 13, and Sunday, 14 January. [passage omitted]

With the active participation of the delegates from the provinces, the work committees formed on this occasion adopted important resolutions concerning, among other things, the transforming of the LFD [acronym as published] into a political party bearing the same name and the designating of Daniel Narcisse as president of this new party. The party has as its strategic foundations the already-existing cells and structures of the LFD as a movement.

Jamaica

Minister Hints Terms of IMF Agreement 'Tough'

FL1801023090 Bridgetown CANA in English 2151 GMT 17 Jan 90

[Text] Kingston, Jamaica, Jan 17, CANA—The terms of Jamaica's new aid agreement with the International Monetary Fund (IMF), to be detailed January 30, are tough, Finance Minister Seymour Mullings hinted. He told Parliament on Tuesday the IMF believes that Jamaica's economic problems should be addressed forthrightly and that harsh measures are the only way.

"They want countries to jolt the system sufficiently, so that people can come to the full understanding that there are serious imbalances within the economy that need to be addressed and they think that they ought to be addressed forthrightly and that harsh measures are the only way to awaken the Jamaican people, or whatever nation they deal with, as to the true situation," he said. "I only hope that when the details are given that the Jamaican public will settle down at that time to do all that is necessary and get moving forward."

The government, which began negotiating a new agreement last September, said then it was insisting that the new agreement must comprise measures to generate and encourage production. Already, the local productive sector is being adversely affected by tough credit measures imposed last year in an attempt to stop the decline of the Jamaican dollar. Several businessmen have complained of being unable to receive loans to buy commercial property or machinery and equipment. According to one manufacturer, the high interest rates were forcing some businesses to either scale down operations or consider "closing shop". "Increasingly, buying and selling is becoming more attractive to some of us; the problem is that there are now too many sellers and not enough buyers," he said.

Analysts say that price increases and the removal of subsidies are in the offing. On Tuesday [16 January], mining and energy minister, Hugh Small told reporters that increases in the price of gas and electricity would be forthcoming.

Salinas: No 'Foreign Pressure' in Drug Struggle

PA1701171890 Mexico City Red Nacional 13 Imevision Television in Spanish 1305 GMT 17 Jan 90

[Text] President Carlos Salinas de Gortari defined Mexico's position in the struggle against drug trafficking. He said this evil does not respect borders, and our country will fight to break the chains of corruption that protect the drug-trafficking business.

Mexico will not accept foreign pressure in the struggle against drug trafficking, President Carlos Salinas de Gortari has said. He added that the fight against drug trafficking will be maintained without any concessions. He said Mexico will also continue its international cooperation against drug trafficking.

[Begin Salinas recording] Drug trafficking knows no borders. There is great corruption in the countries that produce, transport, and especially consume large quantities of drugs. This is where the power of the drug traffickers lies. Corruption has allowed drug trafficking to become a risk to the state and to citizens' security. It is a health hazard and it is an excuse for foreign intervention in the internal affairs of other countries, which is unacceptable.

In Mexico, we have fought and we will continue to fight drug trafficking. We will do it for sovereignty, internal security, and public health reasons. We will maintain this uphill battle without making any concessions and not because of foreign pressures. [end recording]

Sovereignty and national security are exclusive matters of the Mexican people, the president said.

The president made this speech during a tribute paid to 44 judicial policemen, 15 Mexican Army soldiers, and 9 Air Force officers who were killed in 1989 fighting drug trafficking.

These heroic deaths will not be forgotten and the men will not be forgotten, the Mexican president told the relatives of the men who were killed in the line of duty.

Salinas said he would promote the creation of citizen's committees throughout the country to ensure that the government struggle against drug trafficking is within the law and respects human rights.

The president paid tribute to the fallen soldiers and decorated officials who have made outstanding contributions in actions against drug trafficking.

New Navy Commander Reaffirms Antidrug Struggle

PA1701164190 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 17 Jan 89

[Text] The Armed Forces confiscated an average of 15 ships per month during 1989. The ships, coming from South America, were captured in the Gulf of Mexico and the Caribbean Sea as they tried to enter U.S. waters with approximately 225 tons of marijuana.

This was reported today by Fernando Magana Galluz, new commander of the Mexican Naval Forces in the Gulf of Mexico and the Caribbean, during the transfer of command ceremony. He also said the struggles against drug trafficking and illegal fishing will continue to be the Armed Forces' priorities. The new naval commander said constant maintenance is performed on 80 percent of the naval fleet stationed in the gulf and the Caribbean.

Honduran President-Elect Callejas Visits Country

Meets With Foreign Minister

FL1701145290 Mexico City NOTIMEX in Spanish 2336 GMT 15 Jan 90

[Text] Mexico, 15 Jan (NOTIMEX)—Honduran President-elect Rafael Leonardo Callejas today discussed with Mexican Foreign Minister Fernando Solana the process of pacification in Central America and the prospects for regional integration. On the first day of his visit to Mexico, Callejas analyzed with the secretary of foreign relations the situation of trade and tourism exchange, energy and financial cooperation, and international issues of bilateral interest.

Later, the Honduran president-elect participated in a working lunch with the Honduran delegation and Mexican government officials. Afterwards, he held talks with Secretary of the Treasury Pedro Aspe and Secretary of Trade Jaime Serra Puche.

Tomorrow Callejas will meet separately with Secretary of Tourism Pedro Joaquin Coldwell and Petroleos Mexicanos [PEMEX] Director Francisco Rojas.

The Honduran president-elect will return to his country on Wednesday; during his stay here he will invite the Mexican president to his inauguration on 27 January.

Addresses Area Issues

PA1601212490 Madrid EFE in Spanish 0143 GMT 16 Jan 90

[Text] Mexico City, 15 Jan (EFE)—Honduran President-elect Rafael Leonardo Callejas said today that Latin America should seek economic and political intergration, first tackling the foreign debt problem.

In statements to the press before meeting with Mexican President Carlos Salinas de Gortari, Callejas pointed out that Latin America should unite and seek a solution with its creditors as a bloc. "Otherwise it will be impossible to overcome the debt problem, which is affecting the economic and political development of all peoples," said Callejas, who will succeed Jose Azcona Hoyos as Honduran president on 27 January.

Callejas explained that after he becomes president he will negotiate credit with the IMF to launch sustained development in that Central American nation.

Callejas deplored the U.S. invasion of Panama on 20 December and expressed support for the self-determination of peoples.

Regarding Nicaragua, Callejas said that in keeping with the Esquipulas agreements, his administration will establish the mechanisms necessary for the counterrevolutionary forces stationed in Honduran territory to leave his country immediately. He expressed confidence that the Nicaraguan people will reassert their will to live in a democratic country during the presidential elections scheduled in Nicaragua for 25 February.

Callejas stressed he has come to Mexico, where he will stay until 17 January, "to acquire some experience" about the direction that has been given to that country by Salinas de Gortari, who assumed the Mexican presidency on 1 December 1988. "Carlos Salinas de Gortari has demonstrated to Latin America that one must not govern unilaterally because this system was given up for obsolete a long time ago. Today, the way to make a nation forge ahead is by the concerted efforts of the various groups composing it," Callejas noted.

Afterward, the Honduran president-elect was received by Salinas de Gortari, with whom he talked and also had a private lunch.

During his stay in Mexico, Callejas will also meet with Foreign Secretary Fernando Solana, Finance Secretary Pedro Aspe, Commerce and Industrial Development Secretary Jaime Serra, and Tourism Secretary Pedro Joaquin Coldwell, as well as Mexican Petroleum (Pemex) Director Francisco Rojas.

* Former UNOMASUNO Head Denounced

* Current Editor Criticized

90EM0061A Mexico City PROCESO in Spanish No 683, 4 Dec 89 pp 30-32

[Article by Carlos Marin; for related reporting see the FBIS Latin America DAILY REPORT of 22 Nov 89 (FBIS-LAT-89-224), pp 6-17]

[Text] A co-owner of the UNO Publishing Company (she owns the same percentage of shares as four of the nine partners whom the government made its owners), Teresa Weiser does not know how much her stock is worth and cannot find an answer to what sounds like an elementary question:

"If UNOMASUNO was started as a cooperative and if its main internal conflicts arose because it was turned into a corporation, why did the government, which got rid of the previous editor and majority shareholder, Manuel Becerra Acosta, decide to maintain the paper as a private company, instead of returning to collective ownership an enterprise that from its start belonged to the workers?"

She went to Los Pinos 3 months ago in the hope of clearing up the mystery. She was amiably received by the director of social communication of the Presidency of the Republic, Otto Granados Roldan.

"The cooperative never worked," he explained. "That's why we supported Luis Gutierrez' group, so that this source of jobs would not be lost."

For more than a year Teresa had been trying to find out what was happening at the paper that she loved so deeply, because UNOMASUNO, besides being her most important professional project, also belonged to her.

She had spent the last 11 of her 20 years as a journalist in the short-lived cooperative. First she was a partner in it and then a shareholder in the corporation that devoured the cooperative, as well as an obligatory union leader in the company in which she was also a "boss." Teresa Weiser held out as long as she could amid the paper's stormy internal life, but in the end she was "liquidated" in February, a few days before Manuel Becerra Acosta was expelled from the country and "liquidated" by the government with a million dollars.

Disillusioned and now separated from UNOMASUNO, and with no desire to devote herself to another idealistic project, Teresa showed Granados the original shares certifying that she was a co-owner and asked him to do her a favor: to intercede with whomever necessary, from the president of the Republic to the editor of UNOMASUNO (Luis Gutierrez) so that she could sell her shares at the same price at which they were quoted for the paper's nine current owners.

"I'll talk with Luis and I'll call you," was Granados Roldan's reply.

Teresa tells PROCESO today:

"More than 3 months have passed. I tried to get hold of Otto two or three more times, but he never answered. Now I know that he'll never call me."

Teresa's uneasiness about the goings-on in UNOMASUNO began to trouble her in particular in early 1988, when Manuel Becerra Acosta urged the shareholders to sell to him, the majority shareholder in the UNO Publishing Company, so that he could offer the stock to a buyer who was willing to recapitalize the newspaper.

In May of last year Teresa had a telephone conversation with Luis Gutierrez, a former colleague of hers in founding the cooperative and also a fellow member of UNOMASUNO's "sui generis" union (cooperatives cannot have unions because they belong to the workers). Gutierrez by then was managing the newspaper.

She told him that Attorney Fernando Garcia, the assistant manager of industrial relations, was calling shareholders in the corporation and asking to buy their shares on behalf of Manuel Becerra Acosta.

By that time Teresa had more than enough reason to be mistrustful of almost anything that came from the paper's management. The original esprit de corps had long since been lost, inasmuch as the last forum of the original cooperative members, the union that they had been forced to join, was dismantled by its first secretary general, Luis Gutierrez, in August 1987.

As a result of her mistrust, which turned out to be justified, she taped that conversation, from which we reproduce below the arguments of UNOMASUNO's current editor:

"The serious problem today is that the PIPSA [Paper Importer and Producer, Inc.] debt that Alberto Konik left us with is about to explode; it must be about 3.6 billion pesos, a 69-million peso debt that I feel the government itself has allowed to grow by letting the interest build up in the sneakiest way.

"The interior secretary has declared war on UNOMASUNO. We've had support from the guy we have to ask for it and we've received a commitment that there is support."

Gutierrez also spoke to her about the money owed to the Finance Secretariat for tax evasion:

"The old debt with Social Security is taken care of, because there's an agreement. We're on the verge of closing another agreement with Infonavit [Institute of the National Fund for Workers Housing]. We're going to swap what we owed in telexes, which is huge, 65 million pesos, for what Aeromexico owes us, which is 100 or so million pesos, and have a balance in our favor.

"I also spoke with Petricioli about the tax problem. There's a favorable arrangement on that too."

In June of that year, at the request of Teresa Weiser, among others, Manuel Becerra agreed to meet with original stockholders who were reluctant to sell off their ownership shares. The conversation grew heated, and the following dialogue can be heard on the recording that Teresa has kept:

Teresa Weiser: I've always felt that I was about as much of a shareholder in UNOMASUNO as in the Mexican Telephone Company. So I think that my shares are really insignificant. Yet they have sentimental value to me. A journalist without a newspaper is not a journalist. We suspect that the newspaper's policy is going to change. We want to know who's going to buy the shares, because we don't know who it is and this gives us pause. Can you tell us?

Manuel Becerra Acosta: No.

Weiser: Why not?

Becerra Acosta: Because the operation is not done yet. When it's done, it'll be revealed at an assembly.

Weiser: If I sell you my shares, I'm left with nothing. If you were to sell the equivalent of my shares, you would have a lot left....

Becerra Acosta: But....

Weiser: My blank ballot, Mr Editor. My unconditional ballot. This is in no way a confrontation with you. You don't have to hold assemblies (what we want is information).

Becerra Acosta: Well, OK. What do you have doubts about? I don't fully understand you.

Weiser: About selling my shares to you. I don't see why I have to let go of something that's been important to me. You say you invested $50,000 in the beginning (in UNOMASUNO)....

Becerra Acosta: I'm not just saying it; I can show you....

Weiser: I can show you 10 years of my life here.

Becerra Acosta: I can show you 10 years plus 1 in the planning stage.

Weiser: Let's not compete, Mr Editor. You're ahead of me. That's why you're the majority shareholder and I'm...I'm nothing.

Their meeting had begun with this statement from Manuel Becerra Acosta:

"I've agreed to meet with the reporters who I know are refusing to sell their shares. If they continue to refuse, let me tell you clearly that their shares will be worth nothing, because there are legal procedures to do that. And I'll explain the reasons to you. Don't interrupt me. Your shares yield the newspaper nothing and they yield you nothing. They're inactive shares, and the newspaper is having growth and debt problems that it has to address, and they require capital. We can't go on without expanding.

"I, and you people are forgetting this, invested $50,000 in this paper in 1977, $50,000 that has yielded me nothing. Later I bought the shares of the industrial partner for $1 million, which haven't yielded me anything. So aside from the idea, the organization, the work (all this), it's cost me money; no one else in this newspaper has done that. Because the little investments that we made during each crisis in the cooperative went to a project (the cooperative) that later became a commercial corporation.

"We must not confuse the two organizations.

"A lot of us put money into the cooperative, some voluntarily. Some more than was stipulated in the charter, which was 3,000 pesos. But that ended when the corporation was organized. There are no two ways about it. So we're going to sell and we're going to retain control.

"Some shares, in order to be assets, have to yield money. Otherwise they're not assets. Otherwise, they mean nothing; they're useless shares. What assets do they yield to the family? Nothing, absolutely nothing."

Becerra Acosta referred to the Miguels, mentioning them as probable buyers of the newspaper:

"If it were Miguel Aleman, I would be very happy because we've been friends since childhood. Miguel de la Madrid has been my friend since adolescence, but he's the president of the Republic."

Teresa Weiser kept on arguing:

"Mr Editor, how can you be buying shares from us that you say have yielded nothing...."

Becerra Acosta: "Teresa Weiser! What I'm saying is that we're going to capitalize those shares; that's why we need them. If you could put in some more capital from your minimal, insignificant portion, then we wouldn't sell. Or maybe I would sell my share, and you would be left by yourselves, without control of the newspaper....I've agreed to meet with the reporters who I know are refusing to sell their shares. If they continue to refuse, let me tell you clearly that their shares will be worth nothing, because there are legal procedures to do that."

Teresa Weiser still sees no reason why UNOMASUNO was ever sold.

It so happens that today's company is a combination of a corporation (Bodoni) and a cooperative. As far as stock is concerned, Bodoni contributed 60 percent of the total shares and the cooperative the remaining 40 percent. At the very least she thinks that there was collusion between government institutions, because her shares as a co-owner, up to now, of UNOMASUNO carry the following redoubtable warning in block letters:

"The certificates of the shares...that are underwritten by members of the cooperative must contain the following text. The underwriter of the shares must be a member of the Journalists Cooperative (SCL), under the terms established in its bylaws. In the event that this requirement is not met, this certificate shall be null and void, and the name of its owner may not be entered in the ledger of registered stock nor shall it have any legal validity."

In accordance with this warning and given that the Board of Directors of the cooperative never did meet to decide the fate of the shares, what Becerra Acosta first sold to Angel Borja (PROCESO 674) and what Luis Gutierrez later acquired was, legally speaking, only 60 percent.

Another suspicious fact is that Teresa recovered her shares (70A and 810C) not from the National Finance Bank (Nafinsa), which was the legal trustee of the certificates, but from labor lawyer Fernando Garcia:

"I had to threaten the Nafinsa people and Garcia himself that I would charge them with theft, in order to have them handed over to me."

And this piece of information has more than just story value:

The Board of Directors of UNOMASUNO changed the corporate name, as the SCL was combined with the UNO Publishing Company, on the very first day of the current federal administration, 1 December 1988.

* Open Letter to President

90EM0061B Mexico City PROCESO in Spanish No 683, 4 Dec 89 p 31

[Text] **To Salinas de Gortari**

Mr Carlos Salinas de Gortari, Constitutional President of the United Mexican States, National Palace

Mr President:

Under Article 7 of the constitution I am respectfully resorting to an open letter (because I would also like the public to find out) to inform you of what could well be called "another tale of resentment." I do so in the hope that it will serve as evidence when someone wants to learn what is going on with journalists. There are many like me.

I worked in the newspaper UNOMASUNO for almost 12 years. The paper was initially formed by a group of journalists and writers who tried to start a cooperative, which for lack of funds had to enter into a partnership with an investor to found the UNO Publishing Company. The cooperative retained 60 percent of the shares, and the investor 40 percent.

The Journalists and Writers Cooperative (SCL) disappeared from the name plate, without the benefit of any legal proceeding, when you took office as president of the Republic on 1 December of last year.

In reality, UNOMASUNO was finally showing its true face, because in practice and almost from its beginning the cooperative was prevented from functioning by Mr Manuel Becerra Acosta, the paper's editor until February 1989.

Over the years since the paper was founded Becerra Acosta had staged a series of maneuvers to gradually take over the company, supported by dishonest officials in the regimes of Lopez-Portillo and Miguel de la Madrid, officials who were empowered to oversee and support the cooperative's sound development. No one did anything.

In exchange for the cooperative and to calm the indignation of many of its members, Becerra Acosta forced corporate shares on us in varying proportions, awarding the majority to himself.

By the last year that I worked in UNOMASUNO there were no more than a dozen of us founding cooperative members left. Almost all of them had left or been fired, including the staff that founded LA JORNADA. This group of journalists and executives said, oddly enough, after they had left, that they were fighting for the "original project," that is to say, for the cooperative, when in fact they were the ones who covered up for the editor in all of his illegal maneuvers, since several of them held management positions, recognized Becerra Acosta's majority shareholdings, created a false union (it never registered legally), and thus wanted to consolidate the corporation. In short, they turned the newspaper over to Becerra Acosta, as the certificates of the shares that are being held by the firm of Carmen Lira and Carlos Payan show.

After Becerra Acosta became the majority partner, he decided in May 1988 to buy up all of the shares that "were floating around" among the cooperative members who had left the paper, as well as the shares owned by the few of us who were still working for the paper.

I must now go into detail. I did not sell. I told the editor that my shares had sentimental value and that although I owned very few of them, they were priceless to me, because a journalist without a newspaper is not a journalist.

On 13 February of this year I was fired from UNOMASUNO, 2 days before the notice of a Stockholders Meeting appeared in the Official Gazette, a meeting that was to be held more than 2 years after Becerra Acosta, violating every law, had refused to hold it. Fortunately or unfortunately, the meeting was not held. Around that same time, finance authorities arrived to conduct an audit of company management. And approximately 48 hours later Becerra Acosta left the newspaper practically on the run.

I was glad. UNOMASUNO would finally go legal, and the fraudulent sale that Becerra Acosta wanted to make, by selling something that did not belong to a private individual, would be prevented.

But it was not to be. The newspaper passed into the hands of Mr Luis Gutierrez, an accomplice of Becerra Acosta over the past 5 years, once again without the benefit of a meeting of the stockholders, let alone of the cooperative members. The director of social communication of the presidency, Mr Otto Granados, told me that "he bought the newspaper with a loan that Banobras [National Bank for Public Works and Services] granted him."

Mr President:

This is my account of the bare, almost exclusively financial facts. The political aspects of this incident will no doubt take up pages and pages in the history of Mexican journalism.

Now, Mr President, I am left only with great resentment, that unhealthy emotion that Maranon analyzed and that debases us. There are already hundreds of journalists like me.

Thank you very much, Mr President.

26 October 1989

Teresa Weiser

Costa Rica

Minister Denies Knowledge of Contras in Territory

PA1701184690 San Jose Radio Reloj in Spanish 1250 GMT 17 Jan 90

[Text] Costa Rica does not know about the entry of contras into Nicaragua. Public Security Minister Hernan Garron Salazar has said that he has not received any protests from Nicaragua regarding the alleged entrance of contras from Costa Rican territory.

Colonel Roberto Calderon, a Sandinist officer, has said in Juigalpa, in northern Managua, that contra groups had entered from Costa Rican territory with supplies for the rebels that are deployed in the mountains of the central part of Nicaragua.

Garron said that he will wait for a note from Managua on the matter. He added that he could not believe something like that happened without his knowledge or the complicity of the Costa Rican Government.

El Salvador

Merino Leaves Interior Post; Coup Rumors Denied

PA1701195490 Panama City ACAN in Spanish 1833 GMT 17 Jan 90

[Text] San Salvador, 17 Jan (ACAN-EFE)—Salvadoran President Alfredo Cristiani has reported that Vice President Francisco Merino will leave the Interior Ministry, which he currently heads, "to devote himself to special duties inherent to the Executive Branch."

During an interview with three television stations and to U.S. newspapers, the contents of which were published today in San Salvador, Cristiani explained that "we are trying to create an executive vice presidency with special functions."

Merino, who is linked to the ultrarightist wing of the ruling Nationalist Republican Alliance [ARENA], won the vice presidency when his party garnered an absolute majority during the presidential elections of 19 March.

Cristiani appointed Merino as interior minister when he assumed the presidency on 1 June.

In addition, the Salvadoran president denied that a coup d'etat "could be possible at this moment" in reaction to the accusations against a colonel, three other officers, and four members of the Army who are allegedly implicated in the murder of six Jesuit priests and two women domestics on 16 November last year.

"I do not believe a coup d'etat is possible at this moment simply because we have talked with all commanders and all of them seem to agree with efforts to get to the heart of this case and to keep the Armed Forces as a clean institution," Cristiani noted.

Cristiani noted, however, that "obviously a limited degree of dissatisfaction has been expressed."

Cristiani, who sounded optimistic that this will be a "successful" judicial process, asserted that "we must not worry about small radical minorities whether they are leftist or rightist because the majority of the Salvadoran people are thinking now of the benefits of having a country in which the administration of justice is beginning to shine."

According to the Salvadoran president, Colonel Guillermo Benavides is "directly" involved in the murder of the Jesuits, based on testimony of young officers who have been placed under military custody.

"He (Benavides) denied his participation (in the murder), but young officers have testified that they received orders directly from him," Cristiani said.

Benavides Denies Involvement in Jesuits' Murder

PA1801002190 Panama City ACAN in Spanish 2048 GMT 17 Jan 90

[Text] San Salvador, 17 Jan (ACAN-EFE)—Judicial sources told ACAN-EFE today that Salvadoran Colonel Guillermo Benavides testified before a judge that he "did not give the order" to kill the six Jesuit priests and their two maids.

The source, who asked not to be identified, added that Benavides rejected all the charges yesterday in more than 2 hours of testimony before Judge Ricardo Zamora.

The source disclosed: "Benavides rejected all charges against him presented in and out of court, despite the fact that the suspected assassins point to him as the mastermind of this crime."

The same source added that Yusshi Rene Mendoza Vallecillos, Jose Ricardo Espinoza, and Gonzalo Guevara told police that "they received orders from Col. Benavides" to commit the crime early on 16 November at the Central American University in San Salvador.

However, in their testimony to the judge today, these as well as other soldiers allegedly involved in the crime rejected the accusation.

Benavides and a soldier testified before a civil court in San Salvador yesterday, while the other six soldiers alleged that "they were not feeling well."

The judicial source added that after the pertinent medical examinations, the coroner said that they were in perfect physical and mental condition but noted that "they were exhausted because of the stress."

The eight soldiers under arrest—one colonel, two lieutenants, one second lieutenant, one subsergeant, one corporal, and three soldiers—have appeared in court yesterday and today.

When he announced the names of the suspects on Sunday, President Alfredo Cristiani said that one of the soldiers had deserted in December, and his whereabouts are unknown.

Government Proposes Resuming Talks With FMLN

PA1801045090 Madrid EFE in Spanish 0300 GMT 18 Jan 90

[Text] San Salvador, 17 Jan (EFE)—The Salvadoran Government today informed the Farabundo Marti National Liberation Front (FMLN) guerrillas of its willingness to resume the dialogue process with the mediation of UN Secretary General Javier Perez de Cuellar.

In an official communique, the Salvadoran Government headed by President Alfredo Cristiani, blames the FMLN for interrupting this process by not attending the Caracas meeting scheduled for 21 November, and instead launching "a terrorist attack," a reference to the 11 November offensive.

Some U.S. Congressmen, such as Democratic Senator Christopher Dodd, said in this capital last week that this is a unique opportunity for negotiation.

"The guerrillas," Dodd said, "proved to have greater military power than was believed, but at the same time they did not muster during the offensive the popular support they claimed to have."

The FMLN proposed resuming talks last week, but on Saturday announced that it would "review" that offer after learning of the murder in Guatemala of Hector Oqueli, a Salvadoran Social Democrat leader.

The Salvadoran guerrillas have not specified yet what exactly they will "review." However, diplomatic sources believe that the guerillas are trying to express their "indignation" without going as far as "breaking off" the possibility of talks.

In another turn of events, a guerrilla delegation met last week in New York with Alvaro Soto, personal representative for Central America for the UN Secretary General, to request that the secretary general mediate in the dispute.

Alfredo Cristiani will travel at the end of the month to the United States for the same purpose. According to official sources, Cristiani postponed this week's planned trip so that his visit coincides with Perez de Cuellar's return to New York.

In 1989, the right-wing Cristiani government and the FMLN met twice. The first meeting was in Mexico in September and the second in Costa Rica in October.

This last meeting ended in an agreement only to meet the following month in Caracas, but following an attack on a trade union office on 31 October, in which 10 people were killed, the FMLN announced it would not attend and on 11 November launched the largest offensive in its history.

Up to now, the government has demanded that the FMLN end hostilities, lay down their weapons, and join society's mainstream as a political party.

The guerrillas claim, however, that the cease-fire must be negotiated and demand in exchange modifications to the Salvadoran Constitution, legal reforms, an Army purge, and an end to repression.

'Fierce Clash' With Guerrillas in San Salvador

PA1801041990 Paris AFP in Spanish 0354 GMT 18 Jan 90

[Text] San Salvador, 17 Jan (AFP)—A fierce clash, which lasted almost 1 hour, occurred this evening between government soldiers and guerrilla forces in a western sector of the capital, but no casualties have been reported.

A military source from the sector said that the clash occurred in Montebello neighborhood, located in the western section of the capital, and much rifle fire and many powerful explosions were heard.

The Montebello neighborhood is a middle-class residential area located near the exclusive Escalon neighborhood, which was the site of fierce fighting during the Salvadoran guerrilla general offensive in November.

The source indicated that the armed clash began at 2000 when an Army unit patrolling the western area of San Salvador surprised a Farabundo Marti National Liberation Front (FMN) column advancing through the sector.

The clash ended 50 minutes later and military sources have reported no casualties on either side.

Residents in several neighborhoods said that the firing of various caliber weapons was heard throughout almost all the western and northwestern zones of the Salvadoran capital.

Army Reports FMLN Offensive Deaths, Damage

PA1801025690 Panama City ACAN in Spanish 2031 GMT 16 Jan 90

[Text] San Salvador, 16 Jan (ACAN-EFE)—The Salvadoran Army today accused the guerrillas of the Farabundo Marti National Liberation Front [FMLN] of having murdered more than 100 people and of having kidnapped 1,724 others during the guerrilla offensive that began on 11 November.

The Armed Forces Press Committee has stated that the guerrillas murdered 105 peasants, as well as other people "who refused to cooperate with the terrorist groups." The committee also accused the FMLN of having kidnapped civilians "to force them to join the FMLN."

According to statistics reports made known by the Armed Forces, the guerrillas downed 204 electrical towers and dynamited 272 light poles and 8 telephone poles.

The Army has also reported that the FMLN either totally or partially destroyed 81 buses and caused property damage to 13 commercial centers, 5 large farms, 8 bridges, and 2 railroads.

Honduras

Cinchonero Rebels Allowed to Operate in Managua

PA1801125890 Hamburg DPA in Spanish 0427 GMT 18 Jan 90

[Text] Tegucigalpa, 17 Jan (DPA)—The Honduran Armed Forces this morning accused Nicaragua's Sandinist government of allowing the military training of a Honduran subversive group known as the Cinchonero People's Liberation Movement (MPL).

During a news conference, Army spokesman Colonel Manuel Enrique Suarez Benavidez said that, as a result of the arrest of a member of the Cinchonero group—identified as Jose Antonio Velasquez Vigil, alias Ramon—Honduras now has proof of Managua's participation in subversive activities in Honduras.

The alleged leftist was arrested by the Honduran Armed Forces on 10 December when he was trying to enter Honduran territory from Nicaragua. According to Col. Suarez Benavidez, when Velasquez Vigil was arrested he was carrying plans for the trafficking of weapons and other activities.

Among the documents seized were plans to establish safe houses, inventories of explosives, and the shipment of new weapons for the rebels, Suarez Benavidez said.

Likewise, Suarez Benavidez said that the MPL's national command is in Nicaragua and added that, according to the documents seized, the group is responsible for the death of Gustavo Alvarez Martinez, a former Armed Forces general who was intercepted by an armed group on 25 January 1989 in Tegucigalpa.

"We wanted to prove that the Cinchonero Command is operating freely in Managua and that the Nicaraguan Government is fully aware of its activities, said Col. Suarez Benavidez. The alleged Honduran guerrilla who was arrested by the Armed Forces was not presented to the press because, according to Col. Suarez Benavidez, he was taken to Choluteca Department, south of Tegucigalpa, to be arraigned before a civilian court.

Interview With President-Elect Callejas

PA1301031890 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 8 Jan 90

["Exclusive" interview with President-elect Rafael Leonardo Callejas Romero on the "Foro 3" program, by Martin Baide Urmeneta and Juan Ramon Duran—live or recorded]

[Text] [Callejas] I am very happy to be here once again on this very enjoyable evening. The last time I was here was the last Sunday before the elections—19 November. I would like to greet the Honduran people, wish them a prosperous and happy new year, and congratulate the organizers of the fourth Pan American games. Yesterday's show was really special. I am here once again to share with you the concepts, the ideas, and the feelings on what we may expect during the next 4 years. I received extraordinary support from the Honduran people at the polls. None of us here today could have foreseen those results at the time. Naturally, this means a greater commitment on my part—a commitment which I had already felt deeply—as a result of such clear and decisive voting by the Honduran people.

[Reporter] Mr President, what will be your first step when you take over the country's administration?

[Callejas] For all practical purposes we are already working. One of the first decisions I made was to visit the Venezuelan president and to contact friends in the United States, Mexico, and the Central American countries to tell them of our willingness to continue with a republic and outline our [2-second break in reception] a better course for our country. As an immediate action we have to organize our government team. In the political field, perhaps the most important thing was to go back to the small villages. I visited 14 departments, but I still have Ocotepeque, Intibuca, and Lempira departments to visit and thank. God permitting, I shall do this before being sworn in.

[Reporter] Mr President, I would like to know how you evaluate those talks you have had with the various sectors of the Honduran people, which have been aimed toward a national concerted effort.

[Callejas] Positively. The first stage was intended basically to show our good will through familiarization talks, so both sides could get to know each other and so I could see the service I will need to give to all Hondurans as president. There has been much openness and I have met with all sectors—workers, peasants, cooperatives, and businessmen. I have continued doing so and have met with professionals and with university teachers. The idea is to get together. From 15-19 January we shall all begin working together on definite points within the framework of the national concerted effort. These first meetings were basically aimed at getting to know each other better.

[Reporter] What is the main point of these national debates? Are they to set goals or to outline procedures?

[Callejas] For me, concerted efforts should have as a basic point within the agenda respect for the law. A society is weakened or strengthened in proportion to the way the republic's laws are used to generate relations between its citizens. In Honduras, one of my biggest concerns—like that of many Hondurans—is that the law is not respected. The government does not respect it, and sectors of society do not respect it due to group interests, so the system becomes anarchical. For me to truly speak of concerted efforts, I must analyze the national legal system, which is the republic's legal base. In this regard, the great pledge is respect for the laws, beginning with the president and working down to the rest of the people.

[Reporter] What degree of agreement have you found in this dialogue, and what differences have you found among the various sectors of Honduran society?

[Callejas] The full range. There are many sectors where we have found a high degree of agreement, while in others there are radical differences.

[Reporter] Give us details.

[Callejas] The range is very broad. There are many interests; there are many things wrong. The important thing is that there is good will. As you may expect, there are differences. The bigger the debate, the greater the need for dialogue and alternatives. We do not seek to govern by consensus but by dialogue. I do not want to lead a government that is in conflict. A government that is permanently trying to resolve conflicts is inhibited from acting. Instead, the government should use dialogue to reach concerted efforts with sectors that have a desire for such.

[Reporter] Mr. President, have you made any commitments to private enterprise?

[Callejas] None. I only have a commitment to the Honduran people. The Honduran people elected me president of the Republic. It was the Honduran people who elected me and not private enterprise, and not the labor unions, or any other organization. It was the people in a very clear manner. The people responded in a very special way that went beyond our own expectations.

[Reporter] Mr. President, have you found in these dialogues that there are any conflicts, between private enterprise and the workers, for example?

[Callejas] Inasmuch as we have not had any joint dialogues, I have simply received information from each independent sector.

[Reporter] Have you not noticed any deep contradictions in the proposals made by each independent sector that might lead to a conflict?

[Callejas] There are conflicting interests and that is why there is a concerted effort to seek the alternatives and to avoid, if possible, conflictive matters that cannot be solved easily. We have to start placing bridges so that conflicting sectors can reach a dialogue.

[Reporter] Have these dialogues helped you form your government team? Or are you not going to take these sectors, or the persons in them, into account to form your cabinet?

[Callejas] I have not received a list of names from any group. I am really quite satisfied with the great sense of civic maturity shown by the different organizations in the country, and this includes my own party. I have total and absolute freedom to form my cabinet. I am looking for a cabinet that reflects a balanced spectrum of our society. I cannot have a cabinet formed by persons who are only related to private enterprise. I cannot choose persons who only favor the social sectors. We have to find a framework for our debates that will allow [words indistinct] in the cabinet to present problems and determine the best possible solution based on our national interests.

[Reporter] Independent of whether the members belong to the National Party, Liberal Party, Christian Democratic Party, or PINU [Social Democratic Innovation and Unity Party] Would they be chosen on a personal basis?

[Callejos] In this case, I am trying to find persons.... [changes thought] Logically, I will first look to my own party's members. They have helped me and I have amply and clearly discussed my thoughts about the country's future with them for many years. However, my administration will also include other persons. We still have not talked directly to the different political parties to see if they will authorize those we select to participate. I believe that, in the end, persons who are selected to form part of my cabinet and who are not members of my party will do so on a personal basis.

[Reporter] Will morality or how they have conducted themselves in the past be considered in choosing the men for your cabinet?

[Callejas] Not only will it be important but we will investigate them completely. We are going over the past 10 years of each candidate for minister or autonomous insititution director. I am studying his conduct and his contributions. Whether or not he has money is unimportant. What we want to know is how he got his money. Thus, we are studying the candidates' history over the past 10 years. That is why it has been so difficult. It is not a matter of getting people to fill the positions. The problem is that once you make a decision to follow a course of action, it not so easy to carry out a full investigation of the person. The information we have is not as clear as we would like it to be. However, the persons we are talking to and investigating fulfill the morality and ability requirements.

[Reporter] A San Pedro newspaper said yesterday how difficult it had been for you, Mr President, to select the team with which you are going to govern. How difficult has it been? What selection criteria did you use to select these people?

[Callejas] First, they have to be patriotic because they are to perform a service to the nation. I do not want officials who use power to benefit themselves. The people who won are presently better off economically, socially, and professionally than they will be in government. Consequently, their first characteristic, to describe it in some manner, is their will to serve; that is called patriotism. Second, they require morality—that is part of patriotism. To serve our people, one must have honesty, morality. Third, they must be capable people. Obviously, this element is of an entirely different nature than the preceding elements. This characteristic has to do with the person's actions within the National Party and his loyalty to me.

[Reporter] Mr. President, the country has tough economic problems and they become your responsibility in a few days. You have to pay close attention to it, as we all know. The private sector talks, for example, about liberalization of the economy to restructure [word indistinct]. Could you please comment in-depth on this? Our economy is a very delicate matter. Could you tell us what your first steps will be in this area?

[Callejas] The economy is the country's most complicated short-term problem. I will not respond to your questions fully today because the problem has many variables that still require concertation and political will and the Honduran people should be informed of them. The latter is a trascendental change to be implemented by my administration. There is to be permanent and clear communication with our people. Everyone has the right to know: First, the reality of Honduras, and we will report it to people through the media; second, the consequences of not making decisions; and, third, how people will be affected by decisions that are to be made.

Naturally, different actions have different goals, but we will start with a goal that will guide our society on a long-term basis. It is based on the premise that it is better to have an imperfect market than to have an imperfect government. The serious problems of Honduras began because of government participation, as if the government was wise in making such decisions in the economic system. Discrepancies arose when the government entered and distorted the system. I asked a banker: How many types of exchange do we have in Honduras? No one knows. The official exchange is two for one. What is CEFEX's [not further identified] exchange? It is 3.40. SETRAS's [not further identified] exchange is 3.59. How about the SETRAS exchange under the table? Over the table? For transaction compensation? The exchange for health and education? Who knows the value of our currency? No one. Consequently, Hondurans must start to accept that we cannot stay on this road. We have to be clear, the market has to be monetarily stable.

The country's most serious problem is fiscal and the crisis is fundamentally of a fiscal nature. This means that someone is spending more than he is receiving. Who spends the most in this country? The government. How much does it spend? More than one billion lempiras per year and we are still finding information that indicates that the fiscal deficit could be higher. Commitments have been made without financial backing, legislation has been approved with no compensation to support it. The Constitution is very clear and that is why I mentioned that there has to be concertation concerning laws. Why? The Constitution says we must have a balanced budget. It says that each expenditure must be countered with a source of income. However, we Hondurans, our governments, have not done this. We issue a law that requires spending, but we do not compensate it with income. We cheat on ourselves. When we issue a decree, we simply indicate that an increase in income tax is the source of income, but it is not included in the budget, thus, the information is not sound, it is not correct.

The law says that we must have enough income to cover our expenditures. We have not been doing this, so now we are illegally spending a billion lempiras more than our economic system allows. This is illegal and we are all part of this illegality—the Congress, the executive branch, those who propitiate this type of legislation, and those who benefit from it. We have to sit down and discuss this with the entire nation because our economic problems are so big that they require decisions. Over the short-term, my administration's priority will be focused on confronting the public sector's excessive expenditures.

[Reporter] Is there a mechanism to increase our income, such as taxes, that must be implemented as soon as possible?

[Callejas] Of course there are ways in which we can improve our income, by reducing contraband, for example, so people will have to [word indistinct].

[Reporter] However, will there be a real change in the Finance Ministry so that this can happen?

[Callejas] Of course. However, that in itself is not the solution to the problem. The problem will not be solved through tax collection. We can improve tax collection...

[Reporter, interrupting] But not by 1 billion a year. Could you elaborate on the concept of liberalization of the economy? Do your economic plans gravitate around that concept? What is the meaning of liberalization of the economy? I ask you this because yesterday I read in EL TIEMPO a report citing the president of the Tegucigalpa Chamber of Commerce and Industries, who voiced his disagreement with that concept, which he considered dangerous and inconvenient. However, he did not say why. I would like to hear your views with regard to that concept.

[Callejas] Basically, what we are trying to promote is more freedom in the pricing system based on supply and demand, to have a more flexible and less rigid and distorted market. Why? Because when you establish a 100 percent customs tariff on a product, and that tariff makes that product noncompetitive, you are punishing society through prices. That is protectionism, which makes the use of capital inefficient. Investments are not made because of the profit that can be obtained from that capital, but because of the protection given to that capital. Those are the distortions we must eliminate gradually.

In theory, the liberalization of the economy would basically mean having no regulations—a totally free market. However, Honduras is not in a position to do that and, therefore, we will not do that. That type of economy does not exist in the world. All the economies of the world have some kind of protection. We are not talking in theoretical terms, we are talking about pragmatic aspects.

Obviously, some economic areas must be liberalized, but at the same time there are others that cannot be liberalized, because it would have a massive impact on society. There are fundamental areas we must face, such as petroleum. Our oil policy must be determined according to social costs. We must decide on direct subsidies, price increases in some areas, and so forth. Should those who have more resources pay the same price for a gallon of fuel as those who must use transportation services? Those are decisions that affect society, and which a government [word indistinct] because they have political implications.

I also disagree with the idea of liberalizing the economy. We are not ready for that and will not be for many years. However, I do agree with some aspects that could result in a reduction in the controls by the public sector of our national economy. The new government is not in favor of excessive state controls [estatismo].

[Reporter] Someone mentioned here the subject of contraband. I have heard from national businessmen that the Honduran state does not receive up to 300 million lempiras annually as a result of contraband. How do you plan to attack this problem?

[Callejas] Look, we will announce specific measures to deal with this problem once we assume the Presidency. We will implement new, renovating, and firm measures. We will face the problem of contraband, and the problem of fiscal evasion; there will be more incentives to encourage people to pay their taxes, and we will punish those who do not pay. We will adopt measures to improve our tax sytstem. However, all this leads us to the main problem we must solve immediately, the cause of most of our economic problems—our fiscal deficit, excessive public expenditures in unproductive areas.

[Reporter] A few moments ago you mentioned something very interesting. You mentioned that there are various exchange rates in the foreign exchange market. How do you plan to control the speculators—which is what they really are, because a small group has been playing and speculating with this country—what will you do against those people?

[Callejas] First, who should control our foreign exchange? The Central Bank, the banking system. What will be our foreign exchange policy? It will depend on our economic conditions. However, we must accept the fact that in Honduras the official rate of two for one will only be used for specific purposes related to economic and social welfare.

[Reporter] Will there be uniformity in the exchange rate?

[Callejas] We are not in favor of devaluation. That is an unacceptable solution, because it will not really and effectively benefit the people. What we want to do is reduce many of the distortions in the market. Naturally, we will have to make some decisions in the foreign market area. How much will we be able to negotiate with the various institutions in the financial world that condition aspects related to contracts, such as the IMF, the AID [Agency for International Development], and the World Bank. They have softened their positions; now they are not as radical, they are more flexible, more human in their criteria. They are not as bank-minded as before, they are more socially conscious because they have seen that their exclusively monetary decisions have had social effects that have resulted in bloodshed in some countries, such as Venezuela, as well as in Africa, and many other places. Therefore, that is not the policy we will follow. However, we must make decisions. We must negotiate with the international institutions to which we owe money. In that sense, we will find solutions to the monetary problem.

First of all, the answer is not devaluation. Second, the policy is intended to administer the exchange on a daily basis, but abiding by the laws set by the Central Bank. Third, the answer will be to seek to avoid the existence of so many distortions of a monetary nature.

[Reporter] Mr. Callejas, since we are discussing the monetary issue, will Mr Ricardo Maduro be the person in charge of implementing your monetary policy from the Central Bank?

[Callejas] We will announce in a timely manner the names of the people who will be part of the government team.

[Reporter] You have an excellent relationship with Japan and the United States; will money from those countries come to Honduras quickly? At least that is the criteria that prevails among the common people. Could you refer to this aspect?

[Callejas] I have very good political relations with the ruling parties in Japan, the United States, Germany [not further specified], and England. However, one must not loose sight of the fact those countries are part of an international financial structure, and that all those countries move around a decisionmaking center called the IMF.

[Reporter] Would not this kind of relationship give your government more credibility than preceding governments?

[Callejas] It would ease negotiations with the IMF. However, it will not permit—I do not want people to foresee it that way—bilateral negotiations with Japan, because since the IMF declared Honduras ineligible, it has no access to the alternatives defined as options of a political nature. If circumstances were different, and if Honduras was not ineligible, then we could hold bilateral negotiations. However, this is not the case at this moment.

[Reporter] Do you think it will be difficult to reach agreements with the IMF?

[Callejas] Yes, it will be difficult.

[Reporter] Does this imply severe sacrifices, especially for the majorities? What do you anticipate?

[Callejas] The greater sacrifice will be for the government because it is the main cause of the problems. I believe that if any adjustments are made, the public sector—the government—should first pay the cost of the errors.

[Reporter] Do you fear this will result in further inflation?

[Callejas] Inflation happens....

[Reporter, interrupting] As our people understand it, there could be greater increases in the price of important public services and in main staples as a consequence of such agreements. It is important to determine that.

[Callejas] The basic point is to establish....[changes thought] Rather than discussing higher prices, let us talk about the cost of living, which is influenced by two variables—the increase in prices and the reduction in the purchasing power of currency. The way the system is at this time—inflation is strengthening—means both are taking place. Through inflation, the price of goods increase, and the purchasing power of currency is reduced. Therefore, we should direct adjustments to have an economy with stable prices and to increase the purchasing power of the currency. That is the long-term objective. We should not sacrifice the long-term objective for the short-term goal. During the adjustment process, it might be that the price of some articles may go up or down. However, the long-term objective is to increase the purchasing power of currency so Hondurans can live better.

[Reporter] Thank you Mr. President. I think this is a very important topic. However, there are other topics of great interest to the public, which is precisely....

[Callejas, interrupting] Change the [words indistinct] a little and discuss politics.

[Reporter] There are insistent rumors that say you made a very serious commitment to Osvaldo Ramos Soto and his followers when the National Party was seeking unity, and that you committed the post of president of the National Congress and other high-ranking posts at the [words indistinct]. There are rumors about a serious crisis that could create serious problems for a party that you have kept united. All this is reportedly because there is another candidate for the aforementioned post, who deserves all your confidence. Is that true? Does such a commitment actually exist or not? How will you solve the problem concerning the selection of the Congress president and the selection of people for other posts in the Congress? Mr. President, we would like you to respond to this question. Dear television audience, we will be back in a few seconds to continue the interview with the president-elect. [30 seconds break in reception]

We had asked the president-elect if there was any commitment.

[Callejas] I have not perceived problems in the National Party of Honduras [PNH]. We have just won an election with the most overwhelming results in Honduran history. With regard to the people's response, this can be considered a national variable. I recall when we were analyzing demographic aspects, and when everyone thought we would win in Choluteca and, with a victory in Choluteca, have enough votes to compensate for the [words indistinct] in Yoro in favor of another party [words indistinct]. This is a national trend. However, the point is not just the vote margin. The difference lies in the Congress. Our party has a majority of 15 deputies, which shows an overwhelming national response. This means the PNH has a very clear and overwhelming leadership. Therefore, in this regard, I see no division in my party. However, this does not mean that over the next 4 years we will not be seeking long-lasting harmony in the party. We do not want to have contradictory positions within the PNH from the beginning that would imply internal division.

Lawyer Osvaldo Ramos Soto is a prominent politician and a man who contributed to the election results by strenghtening the unity of the party. Other hopefuls, such as Rodolfo Diaz Navas, have been leaders of the movement and they initially accompanied me in the struggle.

In my opinion—I have heard the opinion of many other groups—the main thing is to find...[9-second break in reception]...and in due time we will talk with the various groups to choose the best options. Some of those options could or could not be the ones he [not further identified] advocates. I am not going to center the party's options around people, but around party and national interests.

[Reporter] What are the priority party interests?

[Callejas] The first priority is the administration of the state, and the second is to maintain the party's current unity with a view toward the future.

[Reporter] Mr. Callejas, but do you have a personal commitment to Ramos Soto as Soriano said?

[Callejas] No. I would not say I have a commitment in the sense that I will say: You will occupy this or that government post. No, we do not have that type of commitment. There are good faith or good-will commitments with various members of the National Party of Honduras [PNH]. We will try to find options with them. This specific case does not pose such a huge problem. The National Party now has a leading position that was consolidated by the election process. I will meet with the various deputies, because I am still the president of the PNH Central Committee. We will discuss that topic. I will state my viewpoints and I will ask them to support what I am saying here. [Words indistinct] regardless of the decision I made in that regard.

[Reporter] Undoubtedly, your opinion will have great influence. You are the party leader and a leader guides and leads. It seems to me that the deputies will be privy to your thoughts and decisions.

[Callejas] I would like to inform you and the Honduran people of the way in which the PNH operates. We hold permanent debates. In fact, on many occasions I have expressed my views and the party itself has changed my positions, because wisdom is found in the abundance of advisers. Those are biblical words.

[Reporter] But the same thing that happened to the Liberal Party—and more specifically, to President Azcona—could happen to the PNH. The internal struggle within the Liberal Party weakened the party and weakened the ability of Azcona's government. There was a crisis between handling politics and leading the government. You could end up facing that situation.

[Callejas] I see such clear leadership in the PNH. This is not a weak government. This is a government in which a candidate obtained a total victory and in which his party has a truly extraordinary political response. My presidency is supported by most of the National Congress deputies. There are no small groups of deputies. There are no political [word indistinct]. There are no little groups like there were when President Azcona became president. He did not have the support of most of the National Congress deputies. We do not have groups that support this or that politician or another presidential hopeful. We have 71 deputies who support the Honduran president. We do not foresee premature presidential hopefuls. There are no heterogenous political combinations. There is political homogeneity within the PNH.

The problem results from the fact that there are different groups of one same party within the National Congress. For example, there is the group headed by Carlos Orbin Montoya, the group headed by Efrain Bujiron, and the group headed by Carlos Flores, all within the Liberal Party. But that division existed within the Liberal Party. We do not have that division within the PNH.

That is why I clearly stated that we do not have that type of complex problem. The leadership of our party is very clear.

[Reporter] You said you did not discuss affecting the political future of Osvaldo Ramos Soto. In that light, has the party discussed appointing him president of the National Congress at a given time?

[Callejas] Everyone will have a right to future opportunities. Those who have aspirations for the future will be supported by the party. We asked those who want to be hopefuls in the future to be patient and prudent. I can say that, because I have the support of the PNH. Let us coldly analyze this situation. Let us not see this in terms of vanity or modesty. I do not believe this is that kind of forum. Let us not forget that this is the first time the PNH assumes power from the opposition since 1932. This is the biggest political triumph in the history of Honduras in terms of control of power. What does that prove? It proves there is clear leadership within the PNH.

As a politician—since I can still speak as one—I think that the appearance of presidential hopefuls at this time would be very illogical and would go against the reality of the PNH.

The PNH will soon hold its convention. The new central committee will be supportive of my political line. The PNH convention will also be supportive of my political line. We do not have small groups within our party. We do not have party conflicts or delegates who support Juan, Marta, or Miguel [hypothetical names]. We are all part of one single struggle and one single political line that was born after 1981, and that political line centers around my leadership within the PNH.

[Reporter] In November you said that it would be wise to delay the beginning of the political election campaign. You said it would be wise to begin that struggle approximately 6 months before election day. Do you still think the same now that you are the Honduran president-elect?

[Callejas] Of course. We will begin the reforms of the electoral law early this year. The reforms will be very significant, clear, precise, democratic, and ample.

[Reporter] (?Does that mean you want to avoid) 6 months of proselytizing activities and infighting in the parties?

[Callejas] That is the proposal we made. We proposed a bill in 1989. Deputy Roberto Martinez Losano introduced a bill in the Congress to reduce the electoral campaign to 4 months and internal campaigns within parties to 2 months. We still hold that view. We want to meet quickly with other parties on amendments to the electoral laws that give the democratic system greater viability. I brought up the topic of the creation of new parties. This poses a big problem for the PNH and the Liberal Party—the concern over the creation of new parties stems from the loss of control over the National Electoral Tribunal. The two majority parties are right.

As a PNH member, and I say this now since starting on 27 January I will not be able to say that...[changes thought] I take this liberty because I feel the issue is interesting for the political future of Honduras. The PNH and the Liberals cannot accept that parties having small percentages hold control over the National Electoral Tribunal and the electoral process. We are the majority parties, and so, we must have equilibrium, and that is what we must negotiate in the future. We must encourage the presence of new political parties, but that does not mean minority parties should have control over

Honduran politics thanks to the existing legal structures—the National Electoral Tribunal. [Words indistinct] that will no doubt emerge through concensus and dialogue. However, we want to expand the country's political life, and we will do so in a relatively short time.

[Reporter] There is another important topic that has caught the people's attention. The PNH wins the elections with Leonardo Callejas with a majority so huge he can have unbelievable power in the National Congress, which is empowered to amend the Constitution. It is to be expected that in 4 years a president is unable to fully implement all his programs. Can there be amendments in the Constitution to allow re-election? Will changes in the Constitution be introduced so that you may be able to implement all the programs you are planning in the new government? I would like you to comment on this now.

[Callejas] That should not be allowed under any circumstances. It would be a serious mistake for Honduras in this phase when democracy is becoming consolidated to seek amendments for that sort of action. Why? Because we are still not accustomed to thinking that power belongs to the people, not to the people in office. The natural trend is to use power to stay in power, and I do not mean just a person, but a party as well. That is our experience; that is our history. It must end. We must understand that the people are sovereign and have the power to choose without constraints. When politicians learn the lesson the people taught us in November 1989, we will be on that course. At this point, it would be a serious mistake to even think about that.

[Reporter] Staying on political aspects, I would like to know what you will do as president if one of your ministers wants to run for the presidency and starts using the state resources for his personal goals?

[Callejas] Ask for his resignation.

[Reporter] This same topic brings us to administrative corruption, which is becoming widespread in our country. It is believed that men who reach public power do so to enrich themselves. What will you do with (Martin Baires), if he is involved in irregular dealings?

[Callejas] The first thing is to remove him from his post. However, there are other more complex legal matters, which we must begin to correct. There are institutions in charge of ensuring that public goods are properly administered—the Administrative Integrity Office and General Comptroller's Office. When we review these two entities, we realize that people believe there are corrupt officials, and yet these entities say they are honest. This is a matter of conduct. Either the aforementioned offices fulfill their constitutional duties or have no reason to exist. That is our stance. These entities must solve those problems. We cannot have... [changes thought]. Everyone says there is corruption in some government entity. All of the sudden we see houses worth 1 million lempiras, and we do know know where the officials' funds come from. Yet, people are not bothered by it. I am not referring to recent developments, but to things that come from way back. Do you recall any case in which the General Comptroller's Office proceeded against someone the people know to be corrupt? What has the Administrative Integrity Office done? We spend time trying to find corruption at lower levels. We close our eyes to the facts.

If these two institutions are not yielding results, why should they continue to exist, and why should the Honduran people continue paying for them? Either the comptroller's office and the Administrative Integrity Office work, or I will stand before the Honduran people and say: Gentlemen, they do not do their job and must go. I can accept that a public official is corrupt and has to be dismissed, and say he has to go. However, where are the legal means to proceed against him? Responsible institutions do not behave this way.

[Reporter] On the matter of these entities, political friends were appointed before for patronage purposes.

[Callejas] There are people with very high moral standards. I think that [words indistinct]. Before, when the agreements were in force, the comptroller's office was always in the hands of the opposition party. We must stay on that course.

[Reporter] One of the things you inherit from the past is the contra problem and compliance with the Esquipulas agreement. How do you view this situation?

[Callejas] It is serious. For Honduras to have a future, there must be peace and democracy in Central America. Short-term events accumulate, and we will have to wait because of them. There are elections in Nicaragua. Honduras signed political agreements that begin in Esquipulas and continue in Tela, which I personally support. I sent a very personal letter to the president, backing him so he could act in the country's interests during the Central American president's meeting in Tela. We must march along that path. The Nicaraguan unconventional contra forces cannot remain in Honduran territory. They cause serious damage to our society. They are entitled to seek alternatives and formulas in Nicaragua, but not from Honduran territory. In this respect we hope to continue along that course.

To be sure, this situation is part of a greater geopolitical framework. I cannot simply say: Go, get out! What will happen to them in Nicaragua? This matter has a humanitarian aspect. I have not noticed that this possibility exists or that Nicaraguan President Daniel Ortega is willing to integrate those people. Quite the contrary. His latest stance was to say that the contra unconventional forces in Nicaragua must be moved to Honduras. In this respect, we cannot head toward that direction.

[Reporter] In what respect are the Honduran Armed Forces involved in security measures? Will the military corps be increased as long as there is no peace in Central America?

[Callejas] Our stance was very specific during the political campaign, and we maintain it now. As long as there is instability in Central America, the presence of violence in the area, El Salvador, or Nicaragua, our armed forces must be kept so they can ensure our national security. Its size must adjust to that situation. The armed forces must be mobile, professional, technologically adequate, and consonant with our economic capabilities. The first point entails the defense of our integrity, society, and institutionality as a republic. That can only be achieved with peace and democracy in the Central American region.

[Reporter] Thank you, Mr. President. We are about to conclude this program. We now want to ask the president-elect for some final words, with our thanks for coming here.

[Callejas] I again want to thank you for having me here, as on 19 December I was invited to return to this program. I will shortly take office as president because the Honduran people willed it. I have the same idea—to serve Honduras. I will try with all my strength and commitment to make decisions, following consultations and studies, that I deem to be the most appropriate and best for all Hondurans. I do not like my country's poverty. I want living conditions to improve. We will not achieve some objectives in the short-term, however, we can make decisions. Hondurans have no reason to be poor. We are poor because the system does not let us seek better living standards. To that I will devote my efforts. My commitment is with the Honduran people. This is my final message.

Nicaragua

UNO Violates Electoral Law; Leaders Arrested

PA1701145990 Managua Radio Sandino in Spanish 1205 GMT 17 Jan 90

[Text] Militants of UNO [National Opposition Union] openly carried out provocations in Granada on 16 January, violating the Electoral Law and forcing the police to intervene to prevent deaths, injuries, and property damage that has occurred on previous occasions.

The Interior Ministry (MININT) reported early today that while the Sandinist National Liberation Front (FSLN) was carrying out a demonstration previously authorized by the Supreme Electoral Council [CSE], the UNO coalition violated the law that bans simultaneous demonstrations by staging a meeting in that same city.

At approximately 1900, after the FSLN demonstration had ended and its presidential candidate was heading to the Granada Hotel to meet with various groups, leaders from the rightist alliance met them with attacks, offenses, and other disrespectful actions, violating Electoral Law ethics.

To prevent more serious incidents and complying with the law, the police tried to persuade the UNO members to end their activities without any results. This forced the authorities to disband the provokers and arrest their main leaders Pedro Rafael Guzman Gomez, Roger Rafael Rocha Rojas, Alberto Jose Roman Sandoval, and Pablo Valencia Mora.

The timely police intervention prevented serious injuries and property damage which has occured on previous occasions.

The MININT reiterated its commitment to ensure respect for the country's laws and comply with its mission of maintaining domestic order. It urged all political parties to show respect and good sense during the Nicaraguan electoral process.

UNO March Disrupted

PA1701185290 Managua Radio Catolica in Spanish 1130 GMT 17 Jan 90

[Text] We are continuing to receive reports from Granada on last night's incident during a march of the National Opposition Union [UNO]. The incident occurred as the marchers approached San Juan del Sur Street, after leaving the Santa Isabel neighborhood.

Augusto Rojas, a candidate for councilman, said that at approximately 1900 hours the march was movng through various streets in Granada when the demonstrators were encircled by the Black Berets, who carried antiriot equipment. They fired into the air and used tear gas.

Augusto Rojas said that a protest over this outrage was filed before ONUVEN [UN Observer Mission for the Verification of Elections in Nicaragua] by Julia Mena Rivera, candidate for deputy for the 4th region, and was received by (Joel Hernandez Garcia).

Rojas also said that there were some arrests, including Silverstre Valencia Moran, UNO coordinator in Granada and member of the Nicaraguan Socialist Party.

Chamorro Message to the 'People of the World'

PA1801023790 Managua LA PRENSA in Spanish 16 Jan 90 pp 1,12

[Text] At the time this newspaper was being printed, Mrs Violeta de Chamorro was at a news conference surrounded by hundreds of U.S. journalists, and she issued the following message to the people of the world:

Houston, Texas—As you may have learned, I had plans to tour several U.S. cities to collect funds for my election campaign.

Unfortunately, I had to remain in Houston, where I was operated on following a fall in my home. Since the campaign will conclude in 1 and ½ months, I am returning to Nicaragua to be with my people. I am still in pain, but I am determined to keep going until I see democracy triumph on 25 February.

I want to thank from the bottom of my heart all the generous people in this country who, in proportion to their means, have helped us in our struggle. Nevertheless, because of our lack of resources, our campaign is facing a critical moment given its lack of resources.

We have yet to receive 1 cent of the $1.8 million approved by the U.S. Congress for UNO [National Opposition Union]. We have not received the aid because of the U.S. bureaucracy and controls and because of Ortega's control over the national financial system.

Thank you, anyway, for your people's overwhelming enthusiasm, which is no less than that of the people in Bulgaria, Romania, Poland, Czechoslovakia, and the GDR. We have managed to carry out our campaign with scant resources up to now.

You know how difficult it is to hold an election and how difficult it is to bring a message of liberty to each Nicaraguan because they have been intimidated during 10 years of militarism and dictatorship.

Before I leave for Managua, I want to issue an appeal to these noble people, who are always generous with just causes, urging them to open their hearts and pocketbooks to support our civic struggle for liberty.

According to my estimates, we will need $750,000 for the direct costs of the campaign—and we will need even more if we do not receive the U.S. Congress funds—to achieve liberty and democracy in Nicaragua and to put an end to Ortega's support of unrest in Central America without bloodshed.

The Sandinists have a lot of propaganda because they have resources. They naively think that they will be able to bribe the people, but they are wrong. We offer no gifts to the people, only the unique opportunity to be free and live in peace.

On 25 February, the Nicaraguan people will cast their secret ballots and their verdict on 10 years of Sandinist misgovernment. I have faith in my people; I have faith in their common sense; and I trust that God will enlighten them.

The Sandinists have control of the entire state-owned system for their campaign: The state-owned television, radio, public transportation, the Armed Forces. The state organizations are at their service in open violation of the electoral law.

They also have the full support of leftist groups in this country and Eastern Europe. However, time is running out on dictators all over the world.

They have been compelled to give opposition leaders an opportunity and to hold elections, and it would be ironic if the Democrats who advocate liberty in this country turned their backs on us during this historic opportunity for our people.

Anyway, I am determined to continue my campaign so that my people may express their desire to be free, and I shall return even if I have to use crutches or a wheel chair to be with them.

I am in great pain, but no pain is greater than the pain of my people, who suffer hunger and persecution. No pain is greater than that of being a slave in the 20th century.

Chamorro Interviewed Upon Return From U.S.

PA1701202190 Managua Radio Corporacion in Spanish 1200 GMT 17 Jan 90

News conference with Violeta Chamorro, presidential candidate for the National Opposition Union, UNO, by unidentified reporters at the Managua airport on 16 January—recorded

[Text] [Chamorro] How are you doing? Although my knee is fractured, I wish to say that my spirit and morale are even higher than before, because we are only a few days away from victory on 25 February 1990. I have been away from my country, away from my fatherland for 12 days, because of this fracture—which has nothing to do with that [reference to reports that UNO will withdraw from elections].

To my people and you, the reporters, who represent different media I say that I will not falter and will continue my efforts to build a new republic called Nicaragua.

[Reporter] [Question indistinct].

[Chamorro] Of course, yes [words indistinct].

[Reporter] [Words indistinct] withdraw from the campaign?

[Chamorro] Who said that? How can I withdraw? He who withdraws is a coward; we want a change in this country.

[Reporter] What about rumors that UNO [words indistinct]?

[Chamorro] UNO? I have not heard anything from Daniel Ortega. Neither UNO nor Violeta Chamorro have given up on their goal of bringing about a change. On 25 February UNO and its presidential candidate Violeta Barrios de Chamorro will win.

[Reporter] It is said that you are seeking a pact.

[Chamorro] A pact?

[Reporter] Yes, the official media is saying that.

[Chamorro] I find that word to be repulsive. Thank you all.

[Reporter] Do you believe in a consensus to build a better country?

[Chamorro] We have not talked about that so far; we are waiting to cast our votes, which are secret. Thank you all.

[Reporter] Any special message for the Nicaraguan people?

[Chamorro] That I am back in Nicaragua; they must not feel discouraged because the vote is secret, and we will win on 25 February.

[Reporter] [Question indistinct].

[Chamorro] We have the support of the Nicaraguans. We will find solutions.

[Reporter] [Question indistinct].

[Chamorro] The doctors? I will have this cast removed on 8 February [words indistinct].

[Reporter] Have you met with U.S. Government officials?

[Chamorro] There was no meeting; I went from the hospital to the hotel and from the hotel to here. I am now breathing Nicaraguan air, which is what I was longing to do.

[Reporter] [Question indistinct].

[Chamorro] [Words indistinct].

[Reporter] Will you continue to participate in UNO rallies?

[Chamorro] I am here [words indistinct] crutches and all.

[Reporter] Did President Bush talk to you over the phone.

[Chamorro] [Venezuelan] President Carlos Andres Perez placed a plane at my disposal to travel and President Bush called to say hello and inquire about my health [words indistinct]. Many exiled Nicaraguans also called. The telephone did not stop ringing. I answered the phone calls and welcomed visits from all Nicaraguans at the hospital for 11 days. I feel very proud and happy.

[Reporter] Would you eliminate the Army should you win the elections?

[Chamorro] Why do we want so many [words indistinct].

Godoy Speaks on Election Campaign

PA1701223890 Managua Radio Catolica in Spanish 1130 GMT 17 Jan 90

[Text] Virgilio Godoy, president of the National Opposition Union [UNO] Political Committee and UNO vice presidential candidate, has warned the government of the Ortega brothers not to fall into the temptation of conducting Noriega-style elections in Nicaragua.

Virgilio Godoy also vigorously denied that UNO is thinking about withdrawing from the election process, saying that the Sandinist Front is already defeated and the way in which things are developing points to a sure UNO victory. He added that the victory must be respected by the Sandinists, who should not try to obviate the will of the majority.

[Begin Godoy recording] Last weekend, which was relatively calm, I met with various groups to assess the election campaign. I believe we can now say we are entering the home stretch of the campaign. This is the final countdown now. Yesterday we were only 40 days away from election day, which means that there is very little time left and therefore the results [words indistinct].

The UNO election campaign has been truly successful. UNO's popularity has not only been maintained, but increased. The people have shown their spontaneous support for UNO. The Nicaraguan people truly and deeply want a change, a serious change after February. I say that because sometimes our campaign has been a little bit weak due to the lack of resources. However, we have observed the desperation that exists within the ruling party, which now uses mornings, afternoons, weekdays, and all hours and places to conduct their squandering campaign. They are continuously putting on shows and handing out all kinds of gifts, as happened in La Paz Centro.

Ortega arrived there and gave out 27 tractors, among other things. One candidate to a legislative assembly post had already been in that same area and had given out shoes, pants, shirts, and other clothing. The Sandinists are conducting an amazing squandering campaign, thinking that in that way they will change the Nicaraguan people's firm attitude. They do not know that their attitude goes beyond political party preferences and beyond the fact that they are part of the opposition. The Nicaraguan people want a change because the current situation is very hard and difficult. The Nicaraguan people know the Sandinist Front offers no possibility of improving that situation, as it claims it will do after February.

I believe the UNO position has been strengthened, especially during the first 2 weeks of January when, despite the squandering campaign, the Sandinist government proved it was incapable of leading the country and its economy.

We have experienced a number of devaluations and a continuous increase in the price of staples, which makes the Nicaraguan people wonder this: If this is happening during such a delicate time as the end of the election campaign, what can we expect once the election campaign is over and there is no longer any need to make promises, when they have power in their hands again, when they will not need to give things out anymore, and when they will no longer need to bring artists such as Daniela Romo, Chayanne, Valentino, or La Sonora Dinamita to Nicaragua to entertain the people?

The Nicaraguan people realize that Sandinism is a failure in itself and does not represent any practical or real option for the future. Thus, we are convinced that the people have already made their decision and have chosen UNO as their option.

We will soon publish two public opinion polls. I only know the preliminary results of the polls, but they show a considerable advantage for the opposition over the ruling Sandinist Front. And those results are coming from urban polls only. We must therefore add the enormous dissatisfaction existing among the rural population. There is no doubt. The change will come. There is no doubt that UNO will win the 25 February elections, and the Sandinists will have to give up power and the presidential palace.

There will be many problems. Yesterday we met with Mr. Richardson, a special envoy sent to represent the UN secretary general. We talked about the many difficulties created by the current government to harm the opposition. And we were not even talking about the illegal use of public funds, the intimidation campaigns, the jails, the tortures, or the bureaucratic traps created to prevent resources from reaching UNO even 2 weeks before the end of the election process. [Words indistinct] I am not at all worried about all those maneuvers and the resources that the Sandinists used illegally.

We only hope that on 25 February we have an 11-hour election day and the election results are handled with honesty. Only with that will we prove the Nicaraguan people's desire to make a change. We will not fight over those tricks and maneuvers used by the ruling party in their attempt to prevent Nicaraguans from reaching a new future. We have enough with the 11-hour election day on 25 February. We are sure that at 1900 on 25 February, when the preliminary election results are released, they will indicate [words indistinct] that UNO represents the new government option in Nicaragua, although the progovernment newspapers, television stations, radio stations, the posters with pictures of the government candidate, the gifts, the parties, the artists, and the whole show they have put on seek to give a different impression.

Yesterday we also met with a [word indistinct] delegation. [Words indistinct] there were people in the Sandinist rally in Paz Centro on Sunday. [Passage indistinct] people coming from different places including Corinto, El Sauce, and Montelimar were taken to La Paz Centro. Almost all the people who work in the construction of the Montelimar tourist project were there. There were people from El Ingenio and Buitrago, [word indistinct] Benjamin Zeledon.

It is easy for the government to use 80 or 100 government trucks and transfer workers and public employees from cooperatives to the progovernment rallies, thus giving the impression that all the people of the town where the rally is taking place are out in the streets when the truth is very different from that.

That is what happened in San Pedro de Lovago the other day. We arrived there without previous notice, because we were going to hold rallies in the nearby areas of Villa Sandino and Atoyapan. People told us: Mr Godoy, we are the people from San Pedro de Lovago. We all know each other here. We all know we live here in this town. Those who came here accompanying the Sandinist vice presidential candidate were not from this town. They even brought their own horses in trucks. Not even the horses were from here.

The government is in an extreme hurry. The official candidates want to run and visit every place trying to get voters, but they do not get any. [end recording]

UNO Claims 'Not Enough Electoral Guarantees'

PA1701163190 Managua Radio Sandino in Spanish 1206 GMT 17 Jan 90

[Text] UNO [National Opposition Union] is convinced that it will not be able to defeat the Sandinists in February, and is already trying to force a dialogue with the government prior to the elections in order to have a minimum share of power.

In order to force the dialogue, the opposition coalition insists upon saying that there are not enough electoral guarantees.

After saying that at no time have they thought of withdrawing from the elections, Ivan Madriz, member of the UNO Political Council mentioned some of the arguments used by that opposition group to promote a political agreement.

[Begin recording] [Madriz] There are some guarantees stipulated in the law that are not being complied with.

[Reporter] For example?

[Madriz] For example, some citizens were not able to register, and then there is the issue of citizens abroad being able to vote in Nicaraguan Embassies. [end recording]

USSR Envoy on Continued Cooperation, Solidarity

PA1801005490 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 12 Jan 90

[Text] During the 45th CEMA meeting held in Sofia, Soviet Prime Minister Nikolay Ryzhkov reiterated to Commander Henry Ruiz, Nicaraguan foreign cooperation minister, that the USSR will continue to cooperate with Nicaragua in all fields. This has been reported by Valeriy Nikolayenko, Soviet ambassador to Nicaragua, who said that this was the first meeting held between the Soviet prime minister and Foreign Cooperation Minister Commander Henry Ruiz within the framework of the CEMA meeting.

[Begin Nikolayenko recording, in progress] ...where we confirmed the USSR's willingness to continue cooperating with Nicaragua, in which the solidarity of the Soviet people toward Nicaragua was confirmed during this very important period of the struggle to achieve peace, national reconciliation, and a better future for the Nicaraguan people. [end recording]

Ortega on Fight Against 'Skyrocketing' Prices

PA1801035090 Managua Radio Sandino in Spanish 1200 GMT 17 Jan 90

[Text] In view of the fact that the prices of some staples are skyrocketing, President Daniel Ortega yesterday ordered that a proposal be drawn up to halt rapidly rising prices. The president said control will be exerted through a constant supervision of production costs at state-owned and private enterprises.

[Begin Ortega recording] I have talked with the planning minister about the Cabinet ministers immediately presenting a proposal to keep prices, such as those for oil and staples, from skyrocketing. These prices have been skyrocketing at the people's expense. [applause, shouts]

Our problem is that we have a free market here. This is good, but it can have negative effects when people commit abuses, when they do not act with a sense of justice, when they begin speculating on the prices of staples. The ones who get hurt are the people, so we have to inspect oil factories, for example. These are privately owned factories. They are not owned by the people. They are not part of the state-owned sector. We are going to review their costs and determine if it is true that their production costs are as high as they say. This way we will be able to offer products to consumers at reasonable, not speculative, prices.

I want producers to know that they must assume a fair-minded attitude. Those who work in industry, and particularly the merchants, must assume a conscientious attitude. There is room in this country for everybody to work, to produce—for the farm workers, the industrial workers, the merchants, the small- and medium-sized producers, the big producers, and the businessmen. However, they must work with a sense of fairness. [end recording]

Panama

Peruvian Charge d'Affaires Departs Country

PA1801021290 Panama City ACAN in Spanish 0035 GMT 18 Jan 90

[Text] Panama City, 17 Jan (ACAN-EFE)—Diplomatic sources have announced that Luis Sandiga, charge d'affaires at the Peruvian Embassy in Panama, left for Lima today following his expulsion yesterday by the Panamanian Government.

Deputy Foreign Minister Juan Manuel Castulovich announced yesterday that Sandiga had been given 72 hours to leave the country and explained that his expulsion was the result of statements by Peruvian authorities who denied the legitimacy of the new Panamanian Government headed by Guillermo Endara. Endara took the oath of office following the invasion of Panama by U.S. troops who toppled General Manuel Antonio Noriega's regime.

Castulovich denied today that Panama plans to break diplomatic relations with Peru, and insisted that the Peruvian Embassy, where 11 of Noriega's aides have sought refuge, "is assured of all the diplomatic guarantees."

Nevertheless, Castulovich reiterated that the Panamanian Government "will not grant safe conducts to individuals accused as common criminals."

Among the refugees are four officers of the disbanded Panama Defense Forces. One of them, Heraclides Sucre, has been linked by Panama's Attorney General Rogelio Cruz to the murder of Major Moises Giroldi, an officer who was killed after leading a thwarted coup attempt against Noriega on 3 October.

Government Employees Protest 'Mass Dismissals'

PA1801041590 Panama City ACAN in Spanish 0233 GMT 18 Jan 90

[Text] Panama City, 17 Jan (ACAN-EFE)—Several hundred government employees, in the first public demonstration against the Guillermo Endara government, today marched to the Presidency of the Republic to protest "mass dismisals" by the new government and to demand the reinstatement of dismissed employees.

During a meeting held with the president at the government palace after the march, Hector Aleman, secretary general of the National Federation of Associations of Public Employees (FENASEP) pointed out the need to halt "indiscriminate" dismissals and to reinstate those dismissed.

Under minimal police vigilance, demonstrators marched along one of the main avenues in Panama City until they reached the Presidency of the Republic, where they shouted: "Justice, justice!" "Invaders, get out!" "We want no vengeance."

Some of the demonstrators showed letters in which their superiors notified them that as of this date they were on "leave" without pay.

Referring to the letters some government employees have received, Aleman said that "if the authorities want to dismiss some employees, at least they should be told the reasons for which they have been dismissed."

The FENASEP secretary general asked the government to reinstate dismissed employees, "regardles of their political position." He also asked that the cases of employees who have been dismissed be reviewed.

Aleman added that "regardless of the activities and actions of the current authorities, it is necessary to strengthen public institutions, and the most qualified should be heading state institutions."

Endara came out of his office and listened to the demonstrators, among them Aleman, who with a loudspeaker addressed Endara and told him: "We are willing to make an effort provided the government acts correctly."

After the meeting, Endara met with a workers' commission headed by Aleman. Endara promised to give instructions to his ministers to halt mass dismissals and, in addition, to review dismissals since his government assumed power on 20 December.

After the meeting with Endara, FENASEP leader Cesar Best, who also attended the meeting, told the media that Endara said he was unaware of the mass dismissals.

However, a government commission will meet on 19 January with various FENASEP leaders to discuss the issue of dismissals, which, according to FENASEP, add up to over 2,300 employees in various state institutions. However, the Endara government maintains the total is much fewer than that.

CONATO Communique on Current Situation

PA1701023990 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Jan 90 p A10

[Communique issued by the National Council of Organized Workers in Panama City on 4 January]

[Text] Communique

For Respect for Basic Individual Guarantees and the Legal State

On 20 December 1989, U.S. troops stationed in the canal area and others coming from the United States invaded Panama City and Colon and strategic points in the interior of the country, which resulted in the surrender and subsequent dismantling of the Defense Forces and the inauguration of a new government called the Government of "National Reconciliation and Reconstruction." CONATO seriously and responsibly—and not following any dogma or sectarian point of view—hereby expresses its views regarding this new phase of the Panamanian crisis.

We Condemn the U.S. Invasion

As Panamanians, we condemn the U.S. invasion because it harms the principles on which the Panamanian state is based, because of the problems that a military occupation entails, and mainly because of the high social, human, and economic cost that resulted. As human beings, we cannot justify the fact that hundreds of people had to die to depose and arrest General Manuel Antonio Noriega, who is accused of all kinds of crimes.

The New Government of National Reconciliation and Reconstruction

Through a resolution issued on 28 December 1989, the Electoral Tribunal revoked its decision to annul the 7 May elections and proclaimed the three ADOC [Civic Democratic Opposition Alliance] candidates, Guillermo Endara Galimany, Ricardo Arias Calderon, and Guillermo Ford, as election winners. The ADOC candidates were elected by the majority of the voters in the 7 May elections. For that reason, we have a new government called the Government of National Reconciliation and Reconstruction. Thus, with that government we must discuss the fulfillment of and respect for individual and social rights and duties by virtue of what is established in Article 17 of the Constitution, which says: "The country's authorities must protect its citizens' lives, honor, and property, as well as those of foreigners under their jurisdiction regardless of their location. The country's authorities must ensure the effectiveness of the individual and his social rights and duties, and they must abide by and make all citizens abide by the Constitution and the law."

Priority Problems That Must Be Solved

In our opinion, if the new government is to rule the country in accordance with the will of the people who elected it and in accordance with the Constitution and the law, it is vital:

1. To demand the withdrawal of the U.S. troops so the Panamanian Government elected by the people can work without foreign interference and with political independence. In that way, we would eliminate any mechanism that is incompatible with the UN Charter and Resolution 3314 of the UN General Assembly issued on 14 December 1974.

2. To demand that the U.S. Government indemnify the families affected by the military intervention, either for the relatives that were killed or wounded or for the property damage those families incurred. The owners of the companies and stores that were looted and whose facilities and equipment were damaged must also be compensated.

3. The Legislative Assembly must be installed in accordance with the results of the election tally sheets.

4. To reorganize and purge the justice and labor sectors; to respect the labor law, contracts with labor unions, and workers' rights and achievements; to avoid dismissals and to maintain and promote employment sources. Labor unions and the International Labor Organization agreements ratified by Panama must also be respected.

5. To draft and implement a national development plan leading to the country's social and economic recovery. This plan must result from an agreement among the government, private sector, and organized workers.

6. To approve a law establishing the administrative career to offer job stability to public employees and to promote and consolidate an efficient and honest public administration.

Measures That We Consider Positive

The new government has adopted some measures and plans to adopt some others that CONATO regards as positive. For example:

1. The executive branch has appointed Supreme Court of Justice magistrates, whose appointment is subjected to the approval of the Legislative Assembly. We hope the new judicial branch truly complies with the law, administers justice, and consolidates our legal state.

2. The creation of the Technical Judicial Police assigned to the Attorney General's Office and the elimination of the National Department of Investigations (DENI), of which we have so many unpleasant memories, and the improvement and modernization of the prison system.

3. The reinstatement of IRHE [Institute of Hydraulic Resources and Electrification] workers. We hope the IRHE workers' rights, achievements, and their labor union is respected.

4. The firmness of the labor minister and his work team in not allowing massive dismissals and in proposing an understanding between employers and employees to help employees keep their jobs.

We Disapprove of The Following Actions

1. Massive and individual illegal dismissals of public employees, which indicate that despite what has been said, there is an attitude guided by revenge and reprisals.

2. Massive and individual illegal dismissals of private sector employees resulting from the employers' contention that their companies were looted during the first few days of the invasion.

CONATO Demands the Following

1. The reinstatement of all public and private employees who have been dismissed. After that, every dismissal must be based on just cause and must be conducted under the clear application of labor norms. We also reiterate our respect for those employees' labor unions and associations.

2. The abolition of Law 8 of 1981 and Law 1 of 1986, which eliminated and weakened essential workers' rights established by the Labor Code of 1972.

3. The installation of a government audit department that will try all public employees who handled public property and funds in an irregular manner. That deparment should be regulated by modern procedural laws and it should be part of the judicial branch.

4. All public, civilian or military employees and all private citizens who committed crimes such as homicide, torture, drug trafficking, money laundering, embezzlement, corruption, abuse of authority, smuggling, or robbery must be investigated and tried as the case may be. We emphasize that in accordance with the Constitution, the persons accused of committing a crime must be presumed innocent until they are found guilty in a public trial that guarantees all the rights for their defense as established in Article 22. In other words, the basic principal of due process of law must be applied.

5. Those responsible for the murder of worker Yito Barrantes Mendez, which occurred on 14 March 1986, must be investigated and tried. Barrantes was killed by members of the Defense Forces' Doberman Riot Police Company. CONATO presented an accusation on 17 March 1986, but the accusation was shelved.

6. The pardoning of the foreign debt as a contribution to the country's reconstruction.

7. Overall compliance with the Torrjos-Carter treaties.

8. The immediate release of labor leaders who have been detained and who are not involved in crimes proven and punished by the law.

CONATO Urges

1. All workers to unite to strengthen and protect their labor unions and associations, the sole instrument capable of safeguarding their rights and achievements within the framework of the law and the Constitution.

2. CONATO urges all the people who have equipment, work tools, documents, and nonperishable items taken from the various companies during the looting that took place after the U.S. invasion to return them in an act of solidarity and atonement toward those companies and their employees, whose investments and employment sources are being endangered.

Endara Comments on Solis Palma Asylum Request

PA1801035290 Panama City Telemetro Television in Spanish 2300 GMT 16 Jan 90

[Text] Festivities in honor of the Christ of Esquipulas concluded yesterday in Anton after 9 days of celebration. On 15 January, people began preparations for the last religious activity by putting small images of the Esquipulas Christ in their homes. The Christ of Esquipulas festivities began on 6 January, when thousands of faithful Christians attend the festivities. Adults, youngsters, and children gathered since the early morning hours to see and touch the Christ of Esquipulas, which represents charity, faith, hope, and love for humankind. President of the Republic Guillermo Endara Gamilany attended the mass in honor of the Christ of Esquipulas. Endara joined the Anton people celebrating this religious festivity. Endara was welcomed with cheers by the people of Anton. Once the religious activities had concluded, the president spoke with the local and international press and assessed his first days of work in the government.

[Begin recording] [Endara] We have had to organize the government in a very few days—a government that represents the people—and we have accomplished that task. We are just beginning to carry out the work. I think the people have realized now that democracy prevails with liberty and justice. I believe that as time passes, people will realize we are full-time democrats who are in favor of the people and will rule for the people. The problems we are facing and have to solve are huge. We will not be able to solve all problems at the same time. Therefore, we ask people to be patient. However, we know people are desperate to get a prompt solution to their problems. We are also seeking quick solutions. We are asking for aid from friendly countries such as the United States and European countries. I believe the government will respond to the people and to their expectations from a democratic government.

[Reporter] Mr. President, people have been questioning some situations and the way in which some things have happened. Is there unity among the government parties?

[Endara] Yes, indeed. This is a coalition government of various parties. We are all Panamanians with good intentions. As you can see, there might be various interests, but we have only one intention: to lead Panama toward reconstruction and national reconciliation.

[Reporter] Have you received any official communication from the Venezuelan Government regarding the possibility of asylum for Mr. Solis Palma.

[Endara] As far as I know, nothing has been received. However, I must tell you that the last time I talked to the foreign minister was this morning. Therefore, I do not know if anything has happened in the past few hours. As of this morning, when I talked with the foreign minister for the last time, nothing had been received.

[Reporter] Mr. President, will he receive safe conduct?

[Endara] The situation depends on the Attorney General's Office. If the attorney general rules that the crimes committed by the individual who sought asylum are common crimes, then safe conduct cannot be granted. [end recording]

Cartoon Calls for Southern Command Ouster

PA1101223390

[Editorial Report] Panama City LA PRENSA in Spanish on 11 January on page 10A, the editorial page, carries a Las Garzas (The Herons) political cartoon, signed by Wilfi, the pen name for LA PRENSA news director Alfredo Jimenez. A heron is depicted holding a copy of LA PRENSA with banner headlines reading "Oscar Arias Proposes That Panama Live Without an Army." The heron is pointing to the newspaper it is holding and, in a balloon, says: "Including the Southern Command."

Chamber of Commerce President Views Recovery

PA1801021590 Panama City LA PRENSA in Spanish 14 Jan 89 p 12A

[Report by Ricardo Laviery]

[Text] Alfredo Maduro, president of the Chamber of Commerce, Industries, and Agriculture of Panama, told LA PRENSA yesterday during an exclusive interview that businessmen urgently need approximately 300 million balboas in the form of donations and soft credits to initiate the economic recovery.

It is also necessary that the banks receive funds to grant long-term loans so businesses, and therefore the economy, may reach total recovery within the next 30 months, Maduro said.

Regarding this aid, Maduro noted that businessmen are demanding "that the U.S. Government assume responsibility for what has happened in Panama because it had much to do with Noriega and his government and because it supported the 1984 elections fraud. This is why we have to partially blame the U.S. Government, and this is why we are demanding that it helps not only the Panamanian Government but also the Panamanian businessmen."

We have to recover quickly. This is going to be very difficult, but it can be done if Panamanian businessmen are understanding and creative. It can be done through the establishment of mills, for example, for the exporting of goods, and there is also the aid from the industrialized countries.

From the beginning of the crisis until 1989, the gross national product decreased by 28 percent. To this we must add the extraordinarily negative impact that the vandalism following the invasion has had and a 10 to 15 percent increase in the unemployment rates of Panama City and Colon.

The Chamber of Commerce president said talks are under way with representatives from various countries, especially the United States, Asian countries, and soon with the EEC, to request assistance for Panamanian businessmen and especially for the workers.

If the looting at the end of December had not taken place, just when the warehouses were full and the accounts receivable and accounts payable were at the years' highest level, Panama's economic recovery would have been nearly immediate.

On the problem with customs, Mr. Maduro said that customs reopening has been very slow and that there is plenty of merchandise, including raw material, which was not stolen from the ports. In addition, more merchandise is arriving, but the airport is still closed so there are problems receiving imports.

"We understand the concern of the customs director, but a quick solution is needed. If we do not receive this merchandise, starting the economic recovery becomes more difficult. [quotation marks as published]

PPA Faction Seeks To Recover Party Symbols

PA1701003390 Panama City CRITICA LIBRE in Spanish 15 Jan 90 pp 10, 15

[Article by Arnulfo Mendoza]

[Text] "The leadership and rank and file of the Authentic Panamanian Party [PPA] have proposed that the party name and symbols be recovered during a meeting attended by the PPA district and province boards with the Corregimiento Executive Committee.

Jose del Carmen Serracin, president of the PPA Panama Province Board, charged that the party was taken over by Hildebrando Nicosia and others with the support of the military dictatorship. We are anxious to recover the Arnulfist party [PPA], left by the late Dr. Arnulfo Arias Madrid [PPA party founder] to his followers, he said.

Therefore, we will send resolutions to this effect to President Endara to successfully recover the symbols of the party, which belong to the Panamanian people. It is indispensable that President Endara have the support of a political party during his term in office.

On the other hand, Serracin added that we, the "Arnulfists," respect the political unity that brought President Endara to power.

Moreover, Alcibiades Vasquez, PPA Panama District Board deputy secretary, said that currently the fellow party members feel neglected by the current government. All of those who made sacrifices in the struggle to end the 21-year-long dictatorship of Noriega have been neglected. They have been displaced by members of the oligarchy. The rank and file will meet with the leadership in the coming hours to define our stand and make a decision in this respect. As long as the Christian Democratic Party [PDC] and other parties maintain that they obtained the majority of the votes [in the 7 May elections], we will not be able to settle our differences, he said.

Meanwhile, Hernan Delgado Aparicio, former candidate for legislator in electoral district 8-8, commented on the difficulties within the PPA. He criticized a LA ESTRELLA DE PANAMA report on the registration process of the Arnulfista Party, when in fact all the supporters of Dr. Arnulfo Arias Madrid are thinking of recovering the PPA, which was taken over by undesirable individuals.

Regarding the differences among government parties, Professor Alberto McKay noted that President Endara reached power not only because he received the majority of votes but also because he has been actively engaged in defending democratic principles since he was young.

We must recognize the president's political activity since the elections because as president-elect Endara defended the votes he received with his life.

Comptroller Discloses Military Use of Funds

PA1601230990 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Jan 90

[Text] After learning about the secret funds handled by former Panamanian presidents, the question in everyone's mind was: How much has the military spent since 1968? The answer has not been long in coming. The figure is truly alarming. It is much higher than the $36 million used by the country's seven presidents in 21 years.

[Begin Comptroller General Ruben Dario Carles recording] The figures you see in these documents will be released to the media so the public will know the exact amounts. We estimate that since 1968, when the military seized power after overthrowing Dr. Arnulfo Arias, there were disbursements of more than $350 million. [end recording]

The method that used was to debit a large number of accounts from the budgets of various ministries. From 1968 to 1975, there are accounting records of the disbursements and transfers made to the National Guard, but there is no documented evidence of its payments and much less any evidence of the way in which those funds were spent by the military institution. From 1976 to 1989, the procedure was different. The military institution, on its own initiative, would order the Banco Nacional to debit the National Treasury's account and to credit the amount to the account of the National Guard or Defense Forces. After the amount was credited to its account, the military institution would have greater availability of funds and would issue checks in accordance with its activities. These checks would be listed in its internal records but were not reported to the Comptroller General's Office.

As an interesting note, during the searches of one of the houses of former General Manuel Antonio Noriega, the U.S. Army found a large amount of cash in bags of Panama's Banco Nacional.

Public Force To Have Police Directorate

PA1601161890 Panama City EL PANAMA AMERICA in Spanish 14 Jan 90 p 8B

[Report by Maricarmen Sarsanedas]

[Text] Captain Humberto Macea, deputy commander of the soon to be established Metropolitan Police Directorate of the new Public Force, has said that Major Ricardo Reyes Dutary will be the commander of that directorate.

The new Metropolitan Police Directorate will answer directly to the commander of the Public Force, Colonel Eduardo Herrera, and will be divided into police areas in an attempt to provide a more effective service.

Capt. Macea said the police force currently has about 4,000 members who will be assigned to seven sectors according to the needs of each sector. The number of policemen to be assigned to each area will be determined by a scientific study of the area, population, and importance of each sector.

The sectors that have already been defined are: Sector A: San Felipe and surrounding areas; Sector B: Betania and Pueblo Nuevo; Sector C: San Francisco; Sector D: Parque Lefevre; Sector E: Tocumen (its station will be the former Puma garrison); Sector F: Chepo; and Sector G: Balboa and Ancon.

Each sector will have a commanding officer who will be qualified and prepared to solve the particular problems of each sector. The designated officers are: Majors Daniel Poveda, Euclides Aguilar, Luis C. Delgado, Guillermo Marcos, Andres Espinoza, Lieutenant Jose Domingo Pitti, and Captain Porfirio Velasquez.

Capt. Macea explained that policemen in each sector will not only contribute to the solution of problems but also carry out preventive duties to help reestablish public order.

Regarding the U.S. and Panamanian joint patrols, Capt. Macea said these are being carried out effectively and that the Americans are becoming "Panamanianized," which makes the job easier.

Public Force Continues Purge of FDP Members

PA1801035590 Paris AFP in Spanish 180254 GMT 18 Jan 90

[Text] Panama City, 17 Jan (AFP)—The Public Force of Panama today continued the purge of former members of the dismantled Panama Defense Forces by announcing the removal of 68 former military members, including 28 officers and noncommissioned officers who are accused of "illegal transactions" and ties with ousted General Manuel Antonio Noriega.

"We have started a purge to guarantee that the government will respond to the people's demands," according to Public Force spokesman Daniel Alonso, who [word indistinct] revealed the list of removed officers.

The list includes Major Edgardo Lopez Grimaldo, who is currently under asylum at the Peruvian Embassy; Major Marcio Herazo, former military commander of southwestern Herrera Province; and Major Rodolfo Castrejon, former ambassador to Israel.

The list inludes 4 majors, 3 lieutenants, 5 second lieutenants, 4 captains, 12 sergeants and a group of corporals and detectives, most of them former members of the Department of National Investigation (DENI).

Three civilians who worked for the Army were also dismissed, including Eusebio Pedroza, former world featherweight boxing champion.

Approximately 100 officers were dismissed or retired 3 weeks ago, including 21 members of Noriega's general staff.

The Panamanian Army was dismantled following the U.S. military invasion on 20 December and the new authorities, who are being advised by the United States, are organizing the "new Public Force," which will be in charge of the security when the U.S. troops withdraw.

Noriega Elements Reportedly Plan Terrorist Acts

PA1701222290 Panama City EL SIGLO in Spanish 16 Jan 89 p 5

[From the "Leaks and Tips" column: "The Seditious Balbina"]

[Text] [Former San Miguelito Mayor] Balbina de Perinan and some of her relatives are planning to organize guerrillas to carry out terrorist activities to undermine the Guillermo Endara government. We call on the new Public Force and on the Southern Command to watch these people closely. They and other Noriega elements freely walk our streets while still wanting to live in luxury supported by the crookedness of the hand-picked Manuel Antonio Noriega government.

Dignity Battalion Members Reportedly Rob Bank

PA1801005690 Panama City Circuito RPC Television in Spanish 2320 GMT 17 Jan 90

[Text] A new crime was perpetrated today at noon, causing concern among the citizenry. Men armed with large-caliber weapons robbed the Bancomer branch bank located on Justo Arosemena Avenue in this capital. Unfortunately, public order units were not present at the time of the robbery, thus facilitating the attackers' action. Bancomer General Manager Jorge Sosa explained what happened.

[Begin Sosa recording] Two persons in civilian dress entered the bank. One approached my desk, showed me a pistol, and threatened to detonate a grenade if we did not follow his instructions. When the cashier realized it was a holdup, he reacted cautiously and turned over the money he had at the moment.

Two more persons, meaning two more robbers, entered the bank at that moment. They were dressed in overalls. One of them had an AK-47 inside his overalls—in the back. They forced us to open the vault, threatening to hurt someone if we did not. We opened the vault and gave them the money we had in the main safe.

I cannot tell you the exact sum of money involved because we are still conducting an audit. The amount could be approximately $100,000. They mentioned.... [changes thought] Several times during the holdup they said they were Dignity Battalion members. [end recording]

Argentina

Senator Comments on Possible Ambassador to UK

PY1701175090 Buenos Aires Domestic Service in Spanish 1500 GMT 17 Jan 90

[Text] Senator Eduardo Menem has said that Foreign Affairs Secretary Mario Campora is a good candidate for any embassy and that he should be considered. This was the senator's reply to the suggestion that Campora may be designated Argentine ambassador to Great Britain.

Campora's name was mentioned during a news conference President Menem held with foreign correspondents on 15 January when he said he had already chosen the future Argentine ambassador to Great Britain. A Buenos Aires newspaper—quoting sources close to the Presidency—said that Campora might be the candidate with the best chances for the post if Argentine-UK relations are totally restored during the upcoming bilateral meeting to be held in Madrid.

Police Conflict in San Juan Becomes Aggravated

PY1701180490 Buenos Aires Domestic Service in Spanish 1500 GMT 17 Jan 90

[Text] The police conflict in San Juan province became aggravated yesterday. There are approximately 700 policemen in self-confinement at the camp site of the Provincial Police Officers' Club, some 6 km from the provincial capital.

Some 50 federal policemen, who were sent from Mendoza and from Rio Cuarto, in Cordoba Province, are preserving public order in San Juan.

While negotiations continue, the self-confined policemen have submitted a list of petitions, including a retroactive 300-percent salary increase. The negotiations are being held at the highest level of the provincial executive branch.

The situation on the streets is thus far totally normal because some officers have taken over the traffic control positions of the provincial traffic police. The federal police are helping to preserve public order in buildings and on the streets.

This is the situation as of noon on 17 January in San Juan Province.

Economy Minister Previews New Measures

PY1401224490 Buenos Aires BUENOS AIRES HERALD in English 14 Jan 90 p 17

[All quotation marks as published]

[Text] NA-DYN—Economy Minister Erman Gonzalez yesterday huddled with his closest aides to analyze details of the announcements he will make next Monday [15 January] over the national broadcasting network.

The minister will unveil new measures to bolster the economic plan launched on January 1, including "an important announcement linked to the financing of multilateral entities, which is well under way."

The measures will aim primarily at reactivating production and slashing public spending, and "will have great impact on the process of investment," as anticipated by Erman Gonzalez.

In statements to the press, the minister also said steps would be taken to restore credit lines and voiced confidence that the suply and marketing chains would be operating normally once the exchange rate stabilized.

He added that his speech would provide "specific facts which will dissipate fears" regarding the fiscal deficit."

As to current economic policy, Erman Gonzalez praised "the attitude of Argentines, especially savers, who had a very positive response." He said they had understood that "the rescheduling of fixed-term deposits was necessary" and "were reassured by receiving a bond (BONEX) which has a sure value, is sufficiently guaranteed, and has advantages when cashed in." [sentence as published]

Finally, the minister denied that the dollar had settled down due to the lack of australs, because in this case "we would be in a precarious situation." Rather, "the value of the dollar is given by the free play of supply and demand and this will continue if stability is consolidated," he claimed.

Presidential Adviser, Other Officials Named

PY1701161890 Buenos Aires TELAM in Spanish 2347 GMT 16 Jan 90

[Summary] Buenos Aires, 16 Jan (TELAM)—Public Works and Service Minister Jose Roberto Dromi today appointed Carlos Hairabedian as the new land transport secretary, replacing Miguel D'Alessandro. He also appointed Juan Carlos Cataneo as the new land transport under secretary, replacing Roberto Grabois.

The executive branch appointed Hector Gambarotta as the new economic coordination secretary, replacing Orlando Ferreres. Gerardo Schamis was designated ad honorem presidential adviser, Rogelio Camarasa as provincial relations under secretary of the finance secretariat, and Jorge Raul Murillo as relations and economic control under secretary of the economic negotiation secretariat.

Alberto Anta was appointed planning and coordination secretary, replacing Carlos Pierro. Dante Dovena, Miguel D'Alessandro, Juan Carlos Mason, and Carlos Tenev were designated presidential advisers—with the rank of ministers—for political affairs of state reforms.

Roque Eduardo Ceballos was appointed the new coordinating under secretary of the Public Works and Service Ministry Coordination and Planning Secretariat, replacing Osvaldo Vila Figallo.

Economic Secretary, Central Bank Chief Named

PY1201193290 Buenos Aires BUENOS AIRES HERALD in English 12 Jan 90 p 5

[Text] (NA)—Economy Minister Erman Gonzalez announced yesterday that President Carlos Menem had signed a decree appointing Hector Gambarotta as the new Economic Coordination Secretary. He added that Alberto Petracchi was appointed director of the Central Bank replacing Felipe Murolo who was appointed financial adviser.

Economic Coordination Secretary Takes Office

PY1501191090 Buenos Aires TELAM in Spanish 1510 GMT 15 Jan 90

[Excerpt] Buenos Aires, 15 Jan (TELAM)—Upon taking office as economic coordination secretary at noon today, Hector Gambarotta guaranteed that "the government is diligently adopting measures to solve the problems caused by earlier measures." He was referring to the measures the government implemented on 1 January 1990. [passage omitted]

CNEA To Be Subordinate to Presidency Again

PY1601161890 Buenos Aires LA PRENSA in Spanish 13 Jan 90 p 3

[Excerpts] Lima (Argentina)—President Carlos Menem announced here yesterday that the CNEA (National Atomic Energy Commission) "will be subordinated to the Presidency again," because that is "its natural environment."

President Menem made the announcement during a visit yesterday afternoon to Atucha I nuclear plant. The plant very recently resumed operations after being closed down for several months.

The president congratulated the Argentine scientists, technicians, and workers who made it possible to bring Atucha I back into operation after being closed since August 1989 following the discovery of serious flaws in the reactor pipe system. [passage omitted]

Menem recalled that it was first considered necessary to contract German technicians to repair the nuclear plant but, in view of budgetary and economic difficulties, "it was decided to rely on the recognized capability of Argentine scientists, technicians, and workers." [passage omitted]

YPF Trustee Resigns; Replacement Appointed

PY1301011390 Buenos Aires TELAM in Spanish 2336 GMT 11 Jan 90

[Text] Buenos Aires, 11 Jan (TELAM)—Presidential Spokesman Humberto Toledo reported tonight that President Carlos Menem has accepted the resignation of Octavio Frigerio, trustee of the Government Oil Deposits (YPF), and appointed Carlos Alberto Pierro to replace him. Pierro had previously served as secretary for coordination and planning of the Public Works and Services Ministry.

Imprisonment for Traffickers in Fontana Case

PY1701191990 Buenos Aires Domestic Service in Spanish 1500 GMT 17 Jan 90

[Text] Federal Judge (Martin Irurzun) has ordered the preventive imprisonment of the drug traffickers involved in the Fontana case. Marcelo Orlando filed this report from the courts:

[Orlando] Good afternoon, Jorge. As we anticipated earlier this week, Federal Judge Martin Irurzun issued a document this afternoon authorizing popular television anchorman Cacho Fontana to travel to Italy for professional reasons.

The judge believes that Fontana will not evade court actions, that he will not hinder legal proceedings, and that he will return to Argentina on 22 January. The judge consequently issued an unrestricted authorization for the television anchorman who will have to report to the court when he returns to Argentina.

Further Arrests in Case

PY1701203990 Buenos Aires Domestic Service in Spanish 1500 GMT 17 Jan 90

[Text] It was announced today that in another matter related to the Fontana case Judge Irurzun ordered the preventive arrest of drug traffickers Celia Lauber and Miguel Ortiz Perez. The judge decided that the two were responsible for possessing and trading drugs. The judge also ordered an embargo on their properties up to a value of 10 million australes.

The two individuals denied any links to drug trafficking but the judge decided their appeal was not credible; police had found 3.5 kg of cocaine, a metal press to pound the drug, and a high precision balance at their residence, among other items.

The investigation has also determined that the drug came from Santa Cruz, Bolivia to Salta, Argentina. From there it was flown in private planes to Don Torcuato Airport in Buenos Aires Province. The drug was stored at the residence of Celia Lauber and Ortiz Perez for packaging and sale in Buenos Aires and shipment to Switzerland.

Villa Martelli Garrison Scene of Firing 17 Jan

PY1801113290 Buenos Aires DYN in Spanish 1028 GMT 18 Jan 90

[Text] Buenos Aires, 18 Jan (DYN) — The Army has confirmed that the security system of the 601st Battalion, based in the neighboring town of Villa Martelli, was alerted during the early hours of 17 January, when shots were heard outside the military unit. No victims or damage were reported and the origin and motives of the incident are unknown.

An official communique indicates that "at approximately 0130 today (referring to yesterday, Wednesday) shots were heard outside the perimeter fence" that runs along Zufriategui Street.

The communique adds that "the unit's security went to investigate. The Buenos Aires Province and Federal Police were alerted and patrolled the area around the base."

The military communique concludes by saying that "the patrols did not find anything."

In December 1988, the Villa Martelli military base was the scene of an uprising headed by Colonel Mohamed Seineldin, retired.

During the past few days numerous antisubversive exercises, including the repelling of attacks against garrisons, have been carried out throughout the country in view of the upcoming first anniversary of the terrorist attack against La Tablada Regiment.

Initially, and despite the fact that the Army normally announces these exercises in advance, it was thought that yesterday's incident at the Villa Martelli unit was part of one of these exercises until the official communique was released from Libertador Building, seat of the Army.

The shots, the movement within the garrison, the warning shots fired by the soldiers, and the police patrols caused alarm among the population. The incident concluded later that morning.

Buenos Aires Channel 13 Handed Over to Argentar

PY1301170090 Buenos Aires LA PRENSA in Spanish 12 Jan 90 p 3

[Excerpt] Speaking about a ceremony held at Government Hourse to hand Channel 13 over to its new owners, Jorge Rachid, the press and broadcasting secretary, has described it as "an important ceremony because it is the first step in the reorganization of the government. This will lead to a new Argentina that will be able to overcome speculation."

Rachid made this statment at the end of a ceremony during which the government handed over the installations and the frequency allocation of Buenos Aires Channel 13 to the company Argentar, Inc., winner of the recent bid. [passage omitted]

Channel 11 Privatized

PY1601230690 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 90 p 1

[Text] (DYN)—The state-owned television Channel 11 was yesterday privatized and handed over to a consortium of firms going under the name of Telefo which purchased the channel at a price of 10.5 billion australs. The channel, the second TV channel to be handed over to a private firm in the last five days, was handed over by Press Secretary Jorge Rachid at a ceremony in which the official received a cheque for 3.6 million australs as a first payment.

The consortium awarded the channel includes Editorial Atlantida and the Bahia Blanca daily LA NUEVA PROVINCIA.

3 Detained With Military Weapons, Pamphlets

PY1301155090 Buenos Aires TELAM in Spanish 1530 GMT 12 Jan 90

[Text] Buenos Aires, 12 Jan (NA)—According to the press, three alleged members of the Movement Toward Socialism (MAS), who were carrying military weapons and pamphlets with "instructions for revolutionary operational groups," have been arrested in the Berazategui District of Buenos Aires Province.

The report was published today by the Quilmes daily EL SOL. The report states that the three people were arrested yesterday morning near the country club Carmen Ranch, "where they planned to steal a large amount of dollars from a home."

Police seized from the detainees two military weapons with bullets in their chambers and with their safeties off, MAS periodicals, printed requests for contributions to the movement, chemical mace spray, some 40 copies of "instructions for revolutionary operational groups," wide adhesive tape "typically used for gags," and spray paint.

The report adds that Federal Judge Manuel Blanco is hearing the case. Although at first it was believed that the group intended to occupy the country club, it was discovered later that there were no accomplices that would have made such an operation possible.

Sources mentioned by the daily reported: "The action of these three people is an isolated case that cannot be linked to the MAS. These are three maladjusted people, exaggerated in their political militancy."

Libyan Consul in Mendoza Said Electrocuted

PY1301173490 Buenos Aires LA PRENSA in Spanish 12 Jan 90 p 11

[Summary] Mendoza (NA)—Fajra Cablachibi [as published], the Libyan consul in Argentina, was killed yesterday when he was electrocuted while trying to repair the telephone lines on the roof of his house.

Libyan Charge Denies Report

PY1601231190 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 90 p 11

[Text] Abdullatif Hassan El Khazmi, Libyan charge d'affairs, sent the Herald a letter stating that the news item about the death of Libya's Mendoza consul published in this section on January 12 on the basis of information sent by the local news agencies Diarios y Noticias Argentinas is "absolutely false," and that, in addition, "there is no Libyan diplomatic mission accredited to the Argentine Government nor any person bearing the name mentioned in the article."

Bolivia

President Paz Zamora Addresses Nation

PY1201170090 La Paz Televisión Boliviana Network in Spanish 0030 GMT 12 Jan 90

[State of the nation speech by President Jaime Paz Zamora from Government Palace on 12 January—live]

[Excerpts] Good evening fellow countrymen, dear General Banzer, dear Oscar Franco, dear Guillermo Fortun and members of the Patriotic Agreement [Movement of the Revolutionary Left-Nationalist Democratic Action Patriotic Agreement], dear ministers.

Not long ago, during a period we are leaving further and further behind, the image of the president on television only meant another interruption in the institutional system or the announcement of a new economic package.

For this reason just the mention of such a presentation fosters anticipation, speculation, and rumors. The Constitution states that it is the president's duty to speak to the nation before a joint session of Congress once a year on 6 August. Let us then save the term message for those solemn occasions.

I do not want to shut myself inside the Government Palace, far from the people and their problems. I need to maintain a continuous dialogue with the Bolivian people and convey to them my feelings and my idea of the government's responsibility, particularly on this very special occasion. Tonight's dialogue coincides not only with the beginning of a new year but also with the beginning of a new decade. We are closing the doors on an old period and opening the gates on a new era. It is a privilege and a great responsibility. We must prepare the country for a good end to the century. We must create the bases for a still better beginning of the coming century and millennium.

During the past few years the democratic revolution has improved the world political and economic scenario. In the next few years the future of men on the planet will be defined. Bolivia has been part of this process, and in many ways we are ahead of it.

The democratic revolution is the result of the democratic maturity of peoples who no longer accept being represented and who want to be the masters of their own destiny. These people no longer accept hegemonic partners in a process in which dialogue and consensus are the accepted alternative to the old mentality of conflict and confrontation.

We have to understand the democratic agreement within this context. It is the beginning of a broader national consensus. This coalition reflects the spirit of unity and dialogue of our government. That is why I must, most humbly, confess before our people and the international community that I am prouder than ever to be Bolivian. I say this with trust and confidence.

Like everyone else, I am aware of the considerable limitations, impoverishment, and needs of the majority of our people. On the other hand, I am also aware that we have made considerable progress, that our transition toward democracy has been exemplary, that Bolivia has courageously put its economy in order, and that the world deeply respects what has been achieved so far. [passage omitted]

I know Bolivians want stability. Bolivians want to walk on firm soil toward a better future. I must say, however, that our economic stability was at risk when I took over 5 months ago. I did not say it publicly because the situation could have worsened.

The previous administration, for electoral reasons, postponed making important decisions before the presidential elections, that is, during the first months of 1989. Neither did it fulfill some important international commitments.

The main task of my first few months in government was, therefore, to stabilize our situation. Our goal was to recover foreign and domestic confidence in our government and urgently apply the measures that had been postponed.

The government of National Unity had to raise gasoline prices and adjust some utility rates, always trying to affect the poorest sectors the least. We also had to thaw our economic relations with Argentina. This made possible the timely payment of our natural gas bill. We also launched an international campaign to obtain the economic support of the industrialized countries and the international organizations of the Paris Club, for Bolivian economic programs.

Thanks to this opportune measure and to the clear perception that the government was serious, we were able to reverse the destabilizing process and recover the confidence in our country. Facts proved me right. I will mention some of these facts tonight.

Bank deposits that had fled before the we took power returned. Bank deposits amounted to $254 million on 6 August but reached $450 million on 31 December, that is, they practically doubled. Central Bank reserves have increased over the past 5 months from $190 to $280 million. The fiscal deficit has been reduced. We ended 1989 with the lowest inflation rate in Latin America. I repeat, the lowest in Latin America. Our foreign debt was also significantly reduced. The country must be aware of these positive facts. Today I am immensely pleased to call on all Bolivians to defend this consolidated stability because nothing could have been achieved without your support.

Stability must include progress and growth for everyone. I said so during my campaign and I repeat it now. Progress must reach everyone, including the young who must have the right to a bright future and the provinces in the deep Bolivian countryside that have given so much but received so little. My government is their government. I therefore call on all Bolivians to unite, because unity is essential for our purposes. If we were united to recover democracy and beat hyperinflation, we must be united to defend our stability and march toward growth.

I would now like to list the main criteria that we will use to establish stability in our economic policy:

First, we need a balanced budget; that is, efficiency and honesty in tax collection, productivity in state-run companies, and the elimination of unnecessary subsidies.

Second, we need a strict monetary policy. There should be a single, real, and flexible exchange rate to meet our complex needs. Our currency must be supported by production and the money-printing machine must be sent to a museum.

Third, we need a price policy without controls or subventions. Prices must be established by supply and demand. The state must retain the capacity to correct distortions, protect consumers, and eliminate monopolistic and oligopolistic practices.

Fourth, the salary policy. Labor hiring will be regulated by the general labor law. The real salary purchasing power will be defended and increased. To do this, increases must be based on productivity. Salaries must not be inflationary factors or restrict the creation of new jobs, and we must recall that an unemployed man earns nothing. Labor-management agreements will continue to be the mechanism for establishing salaries in the private sector, thus, democratically strengthening labor relations.

Fifth, a responsible debt-contracting policy. Although during the first 5 months of my administration we reduced the Bolivian foreign debt by more than $700 million, it does not mean that the country is free to follow an irresponsible debt-contracting policy.

It is our duty to be careful and to contract debts only for what we really need, and under favorable terms. This is the only way by which we will become a sound and serious country which honors its commitments.

Let us now discuss the growth and employment policy. Employment is not our number one priority, but it must rather be the result of economic growth and social development. Therefore there is a close relationship between the creation of jobs and production growth. To put it in simple terms: to increase employment, we must grow. Growth must be lasting and permanent. To attain this, it must be based on efficient production. Bolivian products must become competitive in our domestic market and internationally.

Thus, production and employment are an inseparable part of our economic policy that cannot be based on a forced stimulation of the demand but rather on the increase of the offer of national goods and services.

From these bases the country will be ready to implement a new financial policy with two concrete objectives: First, to lower interest rates, and second, to democratize the credits by making them available to small borrowers and producers. Interest rates may be lowered without modifying the market laws, however, it is first necessary to reduce the public deficit; to allow the banks increase their credit capability—without resorting to inflationary policies—by modifying the relation between indebtedness and net assets [endeudamiento-patrimonio neto]; and to increase competitiveness within the financial system by allowing the state bank to play a more important role.

To allow more Bolivians to gain access to credits, it is essential to overcome a basic restriction: the guarantees. In reality, only those who already have money may obtain credits. We all know this fact is not fair. This is why today we will create a credit guarantee fund for small peasant or urban borrowers and producers. We have also ordered banks to use at least 10 percent of their credit funds in the granting of loans for small producers and borrowers. The state bank will modify its operational structure to specifically assist small and medium-sized producers and artisans.

We have also decided to reduce from 10 to 5 percent the import tax on capital goods, seeking to facilitate the renewal of the equipment of the national productive sectors so as to allow them to attain more competitive standards. We have also decided to establish a compensation fare on imported goods which were subsidized in their origin countries. This is so because this is a government for national production.

None of these measures will be effective if we do not stop the smuggling activities. This is why I have decided to implement an efficient policy to control this phenomena, which completely distorts our national economy. Thus, I have instructed the finance minister to radically modify the National Customs system. Their restructuring will be carried out with funds from an IDB [Inter American Development Bank] credit, which was already granted. New warehouses will be built and administered for determined periods of time through public bids at border posts, owing to the government's lack of funds to do so. The objective of this measure is to efficiently control merchandise arriving in Bolivia.

But as you see dear fellow countrymen, all these measures—instruments of our economic policy—by themselves are not enough to guarantee growth and employment which is our main concern.

Only investment for production can lead us to development. That is why the savings of the Bolivian people must be guaranteed so that they may be invested in our territory and that foreign capital may be invested with confidence in our country. Beside stability, investments need other favorable conditions because the key to development is investment. This is why the supreme decree that will be signed tonight will create the necessary legal framework—through a draft bill to be sent to congress—for the creation of a new investment law and mining code, which will be complemented with a new hydrocarbons law.

Let's now discuss sectorial priorities, since development is linked to the growth of specific sectors. Discussing these priorities separately, let's begin with agriculture and rural development. Just as employment is the basic objective of the economic policy, agriculture and rural development are the main fields in which unemployment can be reduced. There are two main reasons for this: The first is justice, in terms of the backwardness of the peasant sectors that represent our largest social debt. The second reason has to do with Bolivia's unexploited agriculture capability. Only 29,000 square km of our national territory are being planted, of which only 900 square km have irrigation facilities. This area is about two-thirds the size of Tarija Department. These figures indicate that it is necessary to substantially upgrade our national agriculture and livestock production to improve our domestic competitiveness and to obtain new export markets. [passage omitted]

In September 1989, on behalf of the Bolivian people, I formally submitted to the United Nations a strategy that redefines and restates the problem, taking into account national interests, which can help to attract a significant portion of the financial resources necessary for rural development and for the peasants' well-being.

Bolivia today has its own theory on the drug problem and its effect on national development. We no longer lack strategies. Our theory has already been accepted as a conceptual structure by the international community and especially by the industrialized countries, which are the main markets for drug consumption.

We must now turn those strategies into concrete development projects for Bolivia, especially for the peasants throughout the nation. For this purpose, a summit of the presidents of Peru, Colombia, the United States, and Bolivia has been called for this February. We will maintain our national strategy at this summit.

However, it is important to note that we are depending not only on the antidrug policy to develop rural areas. The implementation of the changes in the aforementioned financial and tax policies will encourage an increase in production and contribute to the productivity of the agricultural and livestock sectors. In this context, the democratization of credit is significant for encouraging the active presence of the peasants as development agents.

I have instructed the Campesino Affairs Ministry to implement a program to establish service centers for agricultural producers. These centers must include facilities for storage, transportation, marketing, insurance, and financing for the rural sectors in the mountain regions, valleys, and plains of the country.

These service centers must be established through the cooperation of the peasants themselves or by private companies, depending on the conditions where they are established. They must be implemented with an effective entrepreneurial criteria because they must be profitable; they cannot become another burden for the nation.

The peasant development fund will be strengthened through the preparation of a program of priorities aimed at supporting the small farm producer that represents our main interest in the rural area.

All of these programs have a very important objective: to promote agricultural exports. The prospects for the development of this field are very encouraging, especially in the cases of soybeans and silk. [passage omitted]

Another important economic sector in Bolivia is the hydrocarbon sector. Over the last few years this sector has shown an excellent export capacity and has become the source of smooth trade relations with our neighbors to the east and south.

We have made great progress in our agreements with Argentina. The 10-year extension of the gas sale agreement and the establishment of a binational company to seek new markets and install petrochemical industries that use Argentine and Bolivian resources will strengthen Bolivia's hydrocarbons sector. This will also have an impact on other vital national sectors.

We intend to strengthen the productive and administrative capacity of the Bolivian Government Oil Deposits [YPFB] to create the proper atmosphere for promoting foreign investments in this sector, which we all agree are absolutely necessary.

The mining sector has traditionally been a vital source of jobs and resources. While the international mining crisis has diminished the importance of this area for now, Bolivia will continue to depend on the mining sector. But it must implement new guidelines and new legislation to make it more efficient.

Gold must become one of the main Bolivian mining exports. The government itends to safeguard and promote increases in national gold production. It will do so by implementing measures aimed at improving transportation and communication services in gold-producing areas, thus making the control mechanisms more efficient.

Nonmetal minerals have also experienced increased demand at the international level. This means Bolivia has favorable prospects for exploiting its valuable deposits, particularly those in its western territories.

The studies carried out by the British mission [not further identified] and the Bolivian geological service in the [word indistinct] have verified Bolivia's great potential in gold resources, rare metals, and semiprecious stones. The exploration and exploitation of these resources are a national priority. But this exploitation must be carried out with different methods and techniques than those that have traditionally been used in the Bolivian mining sector. [passage omitted]

No serious stability or growth program can succeed, fellow countrymen, without a transportation and communications policy to support productive development. All Bolivians who have traveled in the country are convinced that this is the case; that is why my government has allocated perhaps the greatest percentage of resources to the transportation sector.

The maintenance and improvement of the highway network is a central goal of our government. This policy includes the maintenance and improvement of the main highway networks linking departamental capitals and international roads. The National Roads Service in in charge of implementing these measures.

The government will support the consolidation and extension of the complementary road network and the interprovincial linking system. We will use stone paving, which is labor-intensive, when possible. We will encourage free use of bus and truck services.

In the railway sector, we want to rehabilitate and modernize ENFE [National Railway Enterprise], improve track conditions, add new cars and locomotives, and modernize terminals and warehouses.

The Transport Ministry will invest approximately $150 million in World Bank and soft government loans over the 1990-1993 period to implement a group of projects of national importance. This is a summary, fellow countrymen, of our local goals.

It is necessary to ensure that these activities are carried out within an ecological framework that we must preserve. For the government of national unity, the defense of the environment is an expression of its conviction that the future of the country greatly depends on the rational use of its natural resources and that the well-being of all Bolivians cannot be separated from a healthy and harmonious relation with the environment. [passage omitted]

One of our dreams that we must turn into reality has to do with education. We are all aware of the need to reform the Bolivian education system, to modernize it and to adapt it to the country's needs. All of us are completely convinced of the need to reform the education system. To achieve this, a broadly agreed upon process will be undertaken, a process of consensus and participation.

Educational training programs will be implemented in all departments. This will include surveys, seminars, and special events involving institutions and some personalities interested in the progress of education. The results of these consultations will be included in the education reform bill that the government will be pleased to submit for the country's consideration by the end of this year.

We must clearly point out the government priorities in this sector. Basic and rural education programs are our first priority. Special attention will be given to the education of women, who suffer from discrimination in this field. We have other priorities: diversification in technical and agricultural training aimed at promoting production, adapted to the national and regional realities; the resumption of the adult-education program, not as a routine function but with the commitment of all of the country's productive forces and institutions; and the transformation of schools into homes; that is, the transformation of the school into a community home nucleus, an integral center for services in education, health, and nutrition as part of a national nutrition and nourishment program. [passage omitted]

Fellow countrymen, the health sector is also important for the Bolivian people. Some of the figures in this field are rather dramatic, even frightening, I would say. Our figures in this sector are among the lowest on the continent and in the world.

The solution to this problem, although it may not appear to be so, depends merely on political will, a desire to do things not just in technical or financial terms. For this reason, I want to repeat my call tonight for everyone's participation in the national survival plan, the child development and maternal health programs we implemented in November 1989. The goal of this plan is to give general assistance to fertile women and children under 5 years old.

If we can carry out this plan, we will achieve our objective of reducing infant and mother mortality rates by 50 percent in 4 years. We have assigned $22 million for this plan for 1990 and a total of $100 million for the 4-year period. It will be carried out with the cooperation of the World Health Organization, UNICEF, the U.S. Agency for International Development, the UN Fund for the people, and the world food program. [passage omitted]

We will also tackle social security problems, which are intimately related to these issues. I do not need to list those problems, because you are aware of them. The social security system is in a serious crisis. It is being poorly managed, it has no financial support whatsoever, it plans improperly, its services are inappropriately rendered, and it is undermined by corruption.

It is hardly necessary to say that under such circumstances the system must be given an in-depth structural reformation. In the health sector, this reform will have two objectives: first, to promote the creation of an integrated social security system within the framework of the political and administrative decentralization process; and second, to expand social security services so that all workers will have access when they are not contracted by an employer. The operational criteria, conditions for joining the system, and contributions will be established by the Bolivian social security institute.

The pension system, which is closely linked to the social security system, has operated unjustly and inefficiently. The system caused the purchasing power of pensions to drop until it sank into total financial failure. This is where we found it when we assumed power last August.

Please listen carefully, fellow countrymen. A decree that I will sign this evening will guarantee a basic national allowance for pensioners and retired workers equivalent to the national minimum salary. [passage omitted]

Let me now address the unionized workers. Based on an old, well-known political belief, I am firmly convinced that the labor union movement will soon reassume its major position in the construction of Bolivian democracy. The country needs it. To attain this objective, the government of national unity has decided to do the following: to update the legal status of union leaders so that they may properly discharge their duties; to allocate national budget funds to the construction of social, sports, and vacation facilities for our workers; and to promote education and training in labor union activities at a time when all sectors should promote modernization. [passage omitted]

Fellow countrymen, Bolivian brothers and sisters, the Armed Forces are one of the main pillars of democratic stability and national institutions. Dedicated to their constitutional duties, they have strengthened their esprit de corps and improved their professional standing.

We plan to make use of the military health infrastructure for the national health plan I have mentioned, especially in those remote regions and towns where the military physician is practically the only doctor available.

We will also expand and improve the specialization and technical training programs for soldiers in military service, for our 18-year-old boys who are fulfilling their military service.

The Armed Forces, because of their presence throughout the country, will also participate in the revitalization of the program against illiteracy. They will also play a major role in the preservation of the environment.

I would also like to mention the modernization and reform of the electoral system, which is a key issue for Bolivian democracy.

The problems and contradictions caused by our electoral law are well known. This law has been rendered obsolete by the political progress that Bolivian society has made over the past few years.

The basic guidelines for reforming this law were established during a meeting of leaders of the major political parties held under the sponsorship of the office of the apostolic nuncio and the Bolivian episcopal conference. I myself attended that meeting.

The government of national unity has already enforced three of the measures that I promised to adopt at that meeting. The first promise was the creation of the single national registry, RUN, which will issue a single identification card so that every Bolivian will have an identification card and so that all identification cards will be the same type.

The second promise was to provide the necessary facilities for individual and permanent voter registries to avoid repeat registrations during the elections. The third promise that has been fulfilled is the provision of a computerized vote-counting system.

Among the promises still to be fulfilled are reforms related to the designation of electoral court members and the participation of minorities.

In view of all this, and taking into account the experience we gained in the past municipal elections, I have decided to instruct the Interior Minister to draw up, within 90 days, a bill for the reform and modernization of the electoral system. This bill, which the executive branch will submit to Congress, should be drawn up in close consultation with the main political parties and electoral court authorities.

This bill should pay particular attention to the following issues: the appropriate composition of electoral courts; the pluralistic participation of political minorities in the electoral system; the modernization of the electoral system; and the issuance of regulations on funding for political parties and financing their electoral campaigns.

I should point out that the reform will be incomplete if it does not grant citizens over 18 years old the right to vote and if it does not provide for the direct election of mayors and for a mechanism to facilitate the election of the president and vice president. I am sure that these major issues—once a decision has been made and they have been passed into law—will give our democracy a new dimension and new prospects.

I cannot end my speech without mentioning an issue that concerns all of us: the crisis within the judiciary, a crisis that is familiar to all Bolivians, all social and political sectors, and even the members of the Supreme Court.

This situation is the result of a long, undermining process that has developed simultaneously with crises in other state institutions. The crisis in the judiciary, however, appears to be more serious and visible because of the character of the judicial system and because of its role in serving the community.

Even though this problem has been caused by men, the real root of the crisis is of a structural nature. It calls for comprehensive solutions that should take into account a variety of circumstances. In the belief that the issue calls for in-depth solutions, the executive branch will not engage in any personal controversies of a political or sectarian nature. Nor will the executive branch alter the independence of the judiciary, which is established by the Constitution.

The executive branch, however, does consider it its duty to say to the nation, to the Supreme Court, to Congress, and to the political parties that it is necessary to begin a structural reform of the judiciary immediately. The basic objectives of this reform should be to analyze and to update the existing codes and procedures; to create new legal institutions, an example of which is the people's attorneys who are rendering valuable services to citizens in other countries; to enforce compulsory conciliatory mechanisms for some issues; and to create a constitutional tribunal. These are some of the measures that will modernize the judiciary.

Other structural reform measures could include a revision of the judicial organization law, especially in light of the practical experience learned through its enforcement or violation; the unification of the judicial branch, placing all specialized courts within a single structure; and an allocation of the financial resources necessary for the independent and efficient operation of the judicial branch.

Taking into account the valuable background information available at Congress, I have ordered the Interior Minister to draw up a judicial branch reform bill with the cooperation of well-known, qualified Bolivian personalities and in close consultation with the judicial and legislative branches of government. This bill, which should be submitted to the executive branch within 180 days, will then be submitted to Congress to fulfill a national need.

I have told the interior minister that the interests of the nation should come before any other political interest in the designation of his advisers and the preparation of the bill.

We want to restore the people's confidence in the courts, in the men who administer justice, in the value of the law, in the universal nature of the law, and in the equality of Bolivians before the law.

Fellow countrymen, in this speech I have outlined policies for future action that will seek to promote progress in several fields. The government and I believe that these are probably the most important policies that should be pursued.

I reiterate that only unity and agreement will allow us to attain the objectives that we have set. We should also understand that the revolution of democracy is a revolution of ideas, a revolution of thought, and that, consequently, Bolivian intellectuals—along with the rest of the nation—will play a increasingly significant creative role at this time, as Bolivia needs them.

I would like to end this speech by calling upon my fellow countrymen, representative Bolivian institutions, the church, the Armed Forces, businessmen, unions, and civic organizations to realize that the construction of our nation is an unpostponable need and a common task that should be shared by all Bolivians.

I ask my fellow countrymen to carefully analyze what I have said in my speech. Let us meditate on our responsibilities, from the president on down to each one of you, whatever your place in the task of building our nation.

Let us make Bolivia a country of winners, a nation that pursues success and victory, driven by a feeling of national consolidation.

Fellow countrymen, Bolivia is a young nation, and the future is ours. May God bless the Bolivians. Good night.

Paz Says Trafficking Worth $1.5 Billion Annually

PY1601124490 La Paz La Red Panamericana in Spanish 0000 GMT 16 Jan 90

[Text] President Jaime Paz Zamora, who on 15 January held a long conversation with local reporters on the preparatory antidrug meeting in Santa Cruz, has said that the Bolivian coca production amounts to $1.5 billion annually, of which $600 million are absorbed into the Bolivian economy.

The president expressed his satisfaction over the meeting, adding that it will be followed by a summit by the Bolivian, Peruvian, and Colombian presidents on the one hand, and U.S. President George Bush on the other. This meeting will be held in Cartagena de Indias, Colombia, on 15 February.

Paz Zamora said that the agenda of the Santa Cruz meeting includes the Bolivian proposal that development should replace the production of coca, a position that was outlined at the United Nations in September 1989. This position will be a central issue of the meeting in Cartagena de Indias.

The president was asked about the conditions that the U.S. Government has imposed on coca-producing countries. The United States emphasizes interdiction, the journalists told the president.

[Begin Paz Zamora recording] No, no. The problem is that each country sees things from its own viewpoint. The United States is primarily interested in interdiction while we are interested in development. Each country bases its action on its own position, and negotiations finally lead to a consensus.

I believe that there has been a significant step forward. Whereas the antidrug struggle used to be exclusively linked with interdiction, this position has changed and the United States and the world at large now admit that the antidrug struggle involves three equally important factors. These factors are development, interdiction, and prevention. [end recording]

Paz Zamora said that there will be several summit meetings to analyze the antidrug struggle and to design joint strategies. The first meeting, which will be held with President Bush, will be followed by others with the European and Japanese Governments.

The drug trafficking problem affects the entire world and Paz Zamora said that he is sure that Bolivia will draw considerable benefit from the Cartagena summit over the promotion of development as an alternative to the production of coca.

The Bolivian president said that peasants, particularly those from the coca-producing areas should remain calm because the government is negotiating the best solution.

I cannot go to Chapare to advertise with a loudspeaker, [as heard] but I ask them to be confident, he said.

The president also referred to the influence of drug trafficking on the Bolivian economy.

[Begin Paz Zamora recording] The coca economy—let us call it that—is worth about $1.5 billion if we consider the spinoff effect on other sectors. It is a $1.5-billion economy, of which we estimate some $600 million are absorbed into the Bolivian economy. The rest goes out of the country. This $600 million is nearly equivalent to our annual legal income of foreign currency. [end recording]

Paz Announces 'More Active' Foreign Policy

PY1701141490 La Paz La Red Panamericana in Spanish 1130 GMT 16 Jan 90

[Text] President Jaime Paz Zamora yesterday announced that his government will launch a more active and dynamic foreign policy.

Paz Zamora said he is eager to visit Spain, Italy. He added that he also wants to visit the GDR in view of the changes that have taken place in some Eastern European socialist countries. He said that this phenomenon developed too suddenly, and it is quite likely that the Western Hemisphere will channel significant investments toward that part of the world. He said that a large portion of U.S. and European resources will be channeled to Eastern Europe because large markets for Western enterprises will suddenly open in that part of the world.

However, President Paz Zamora said that this phenomenon should not be interpreted as negative for Latin America because it also opens the prospects for a true disarmament process. This in turn would mean that thousands of millions of dollars will be available for production and investments in other parts of the world.

The president said that channeling of resources toward Latin American will greatly depend on the capacity of the governments of this continent. He said that the Nonaligned Movement should be viewed in another light and recalled that Bolivia now holds the presidency of the Group of 77.

Paz Zamora ended by stating that the government is drawing up a policy within the framework of an international offensive that Bolivia will launch in the next few months.

Senate Approves Extradition of Former Minister

PY1801011790 Buenos Aires TELAM in Spanish 0050 GMT 18 Jan 90

[Text] La Paz, 17 Jan (TELAM-ANSA)—After listening to reports submitted by the interior and foreign ministers, the Bolivian Senate today approved the government's decision to extradite Colonel Luis Arce Gomez to the United States, where he faces charges of drug trafficking. Arce Gomez was the "strongman" and interior minister for the de facto regime headed by General Luis Garcia Meza.

Arce Gomez, who has been charged with murder, organizing repressive groups, and protecting narcotraffic, had been sought by the Bolivian police and the U.S. courts. He was arrested in Santa Cruz on 10 December 1989 and extradited to Miami in less than 24 hours.

Armed Forces Role in Drug Fight Depends on Aid

PY1801025090 La Paz PRESENCIA in Spanish 9 Jan 90 p 7

[Excerpts] Armed Forces participation in the antidrug fight depends on the technical and economic support that can be obtained at the presidential summit scheduled for 15 February in Cartagena de Indias, Colombia. This statement was made yesterday by Jorge Moreira, commander in chief of the institution.

The military chief noted the military's decision to intervene in the antidrug fight if the Armed Forces are given the necessary technical and economic assistance.

He affirmed that the final decision on whether the Armed Forces will take part in the struggle against drug trafficking will be made by President Jaime Paz Zamora after the Cartagena de Indias summit. [passage omitted]

Moreira said that if military aid is forthcoming, many possibilities will open up for Armed Forces' participation in antidrug actions.

The police currently control 80 percent of the operations against drug trafficking and the Bolivian Navy and Air Force control 20 percent, providing logistical support for troop transport and helicopter operations.

According to the social defense undersecretary, the Army's participation in direct actions against the drug mafia is "necessary and must be implemented."

Official Comments on Importance of Drug Summit

PY1301203890 La Paz EL DIARIO in Spanish 7 Jan 90 Section 2 p 9

[Interview with Anibal Aguilar Gomez, president of the Inter-American Commission for the Control of Drug Abuse; date and place not given; from the "first part" of an article by Edwin Perez Uberhuaga: "The Focus of the Drug Summit Should Be Demilitarized and Depoliticized"]

[Excerpts] The next "summit" of the presidents of Bolivia, Colombia, and the United States in Cartagena will be a historic event of importance to the country.

The political will of these countries will finally be united to fight a crime that affects the very structures of the states and which so far has been committed with impunity.

This is a valuable subject for analysis, and for this reason we consulted Anibal Aguilar Gomez, president of the Inter-American Commission for the Control of Drug Abuse (CICAD) [Comision Interamericana para el Control del Abuso de Drogas]. We asked him to outline the political, economic, and social aspects of the problem.

Aguilar Gomez, 36, has held important posts in international organizations. As under secretary for alternative development at the Campesino Affairs Ministry, he originated the idea of alternative development to resolve whole set of problems. Now as head of CICAD, an agency of the OAS, he answers our questions. [passage omitted]

[EL DIARIO] What are your objectives?

[Aguilar] This is a scoop for EL DIARIO. I have just received a report from the Cartagena Agreement Board [JUNAC] in response to a proposal to promote joint CICAD-JUNAC action. There are structural problems in our countries, such as the quality and quantity of products we can offer to the market. Through joint action, the countries affected by the problem will be able to exchange experience on drug trafficking and the manner to face it. It demands a subregional action.

In the second stage, once the basic design of the Andean program for the alternative plan and crop substitution is completed, the JUNAC and CICAD will begin joint action among Caribbean countries—namely, Jamaica which has requested information on the Bolivian experience. Bolivia had given technical assistance to Peru regarding the transfer of strategies and ideas for alternative development. It is rather interesting that CICAD is promoting horizontal cooperation among countries of the Caribbean and the Andean regions.

In the third stage transit countries and the group of regional countries will seek common alternatives for solving not only the problem of production or consumption, but of transit itself.

[EL DIARIO] What is your analysis on the role to be played by the four countries that will meet on 15 February to discuss strategies to deal with drug trafficking?

[Aguilar] My opinions are personal and represent no commitment for CICAD, from the technical point of view. The Andean summit is very important. The "Bennett plan" has virtue: Within the U.S. foreign strategy, it assigns high priority to the Andean subregion, and within that region, to Bolivia. [passage omitted]

For me the summit represents an essential mecanism for seeking coordination and cooperation efforts. The press has just reported that a large gap has been created by the events in Panama.

Obviously the situation is complex, and it cannot be ignored. One country (Peru) has resigned from the Inter-American Treaty for Reciprocal Assistance (TIAR). Nevertheless, I believe that after the announcement by Peru that it will attend the "summit," though not at the top level but through representatives, the conditions are appropriate to adopt a specific stand regarding drug trafficking, and I believe that the most important thing will be depoliticizing and demilitarizing the problems resulting from the antidrug struggle, because I do not believe in unilateral decisions that lead to large military actions that will cause a holocaust. [passage omitted]

[EL DIARIO] What do you think of national security aspect in this context?

[Aguilar] If we restrict the war against drug trafficking to the strictly defensive or to military operations, it becomes a unilateral idea.

For me, the idea of true national security is linked to the idea of national development; they are concepts that cannot be separated. Drug trafficking affects the security and sovereignty of the states, it violates airspace ansd territory; it destroys the ecology and harms society and economies.

However, we cannot reduce the strategies to a problem of national defense. I believe the armed forces and other organizations have an important task in controlling and overseeing territory. [passage omitted] The drug trafficking issue this decade will be solved in a structural manner.

There are three objectives: a) Strengthening the democratic models and spaces in the region. b) Reactivation of the economies and improvement of the people's living standards. c) Struggle against the traffic and consumption of drugs in an overall and balanced strategy. [passage omitted]

Spain Donates Equipment To Fight Drug Traffic

PY1301164490 La Paz La Red Panamericana in Spanish 1130 GMT 13 Jan 90

[Text] Interior Minister Guillermo Capobianco signed a cooperation agreement with the Spanish Government. By that agreement, Spain will donate communication equipment, light weapons, and other equipment to the Bolivian police, police security organizations and organizations involved in the struggle against drug trafficking.

Spanish Government representatives (Luis Sande Opaza) and (Jose Luis Herrera) said that this donation is the first stage of the agreement and that Spanish aid will continue throughout the year.

Official Civilian-Military Delegation Visits Cuba

PY1301114090 La Paz PRESENCIA in Spanish 7 Jan 90 Sunday Supplement pp 4, 5

[Report by Gerardo Irusta Medrano]

[Excerpts] For the first since the Cuban revolution in 1959, an official Bolivian civilian-military delegation has visited Cuba. The visit was the result of an invitation from the Revolutionary Armed Forces (FAR) to the administration of the National School of Advanced Studies and its 30th graduation class.

The delegation had the opportunity to acquaint itself somewhat with the powerful defenses of Cuba, where military installations exist even below ground, and where the government gives special training to the population to repel a possible invasion. [passage omitted]

During the 6-and-1/2-hour meeting that President Fidel Castro Ruz held with Rear Admiral Gildo Angulo Cabrera, principal of the National School of Advanced Studies, his assistants, and the 50 Bolivian professionals, several topics were discussed, including the changes in the socialist world.

Not even Fidel Castro knows what will happen to the Cuban-Soviet relations and to the economic assistance Cuba has been receiving from the USSR.

Answering a question on the issue, Castro said: "We will wait to see what will happen with all these changes." [passage omitted]

Bolivian-Cuban relations have taken a winding path, and international pressure has played a fundamental role. In view of the pressure exerted by other Western countries after the Cuban revolution, Bolivia had to break diplomatic relations with Cuba in 1962.

After the revolution, Cuba attempted to export the revolutionary ideas to other countries. Ernesto Che Guevara chose our country in which to begin one of the most turbulent periods of Latin American history. [passage omitted]

The topic was mentioned during the meeting with Fidel Castro, who admitted that the Cuban revolution made many mistakes, one of which was the presence of Che Guevara in Bolivia. [passage omitted]

The visit to Cuba was important because it allowed the delegates to become acquainted with an advanced military structure, probably the most powerful in Latin America, and with—by contrast—the limitations on consumer goods available to the Cuban people.

This does not mean that Bolivia does not appreciate Cuba's major technological and scientific achievements, their research in the medical field, and the Cuban social security system, in which children are a priority.

Cuban cooperation could help Bolivia to improve its health and medical programs, particularly in its tropical regions. Cooperation in these fields would be a new way of strengthening relations between the two countries.

Interior Minister on Violence, State of Siege

PY1301163890 La Paz La Red Panamericana in Spanish 1130 GMT 13 Jan 90

[Text] Interior Minister Guillermo Capobianco has warned that if there is unrest, the government will take stern measures against those who disrupt public order.

Capobianco, who made this statement in response to recent bombings, added that there are terrorists who seek to discredit the constitutional government. He said, however, that the democratic and constitutional government will prevail despite the activities of those illegal groups.

Capobianco also warned that the state of siege is still in force and that it will be lifted on 15 February. He added that it is up to Congress to study the recent violence in La Paz and decide whether to lift or extend the state of siege.

Peasants To Rally Over DEA Agent Incident

PY1501164890 Madrid EFE in Spanish 2135 GMT 14 Jan 89

[Text] Cochabamba, Bolivia, 14 Jan (EFE)—Bolivian peasant leaders today rejected the presence of and actions by DEA agents who have been blamed for running over and killing a peasant and his small daughter.

Evo Morales, executive secretary of the Tropic Peasants Federation, affirmed that on 5 January the two victims were run over by a truck driven by armed DEA agents who "then fled." Morales said that several witnesses to the accident, which took place in Villa Tunari, some 400 km east of La Paz, were "threatened with death" by the DEA agents so that they would keep quiet about the accident.

Morales also questioned DEA and UMOPAR actions to "forcefully" eradicate coca plantations in the semitropical plateau of Cochabamba. The peasant leader said that the peasants will organize to defend their rights and to retaliate if they are attacked by DEA and UMOPAR personnel.

Morales confirmed that a rally will be held this afternoon in Ivirgarzama, where Chapare peasants, COB [Bolivian Labor Confederation] executives, and leaders from the Human Rights Assembly and other organizations will define a joint position on the government's coca eradication policy. The plans for a rally were also confirmed by Mario Flores, executive secretary of the Trade Union Confederation of Bolivian Peasant Workers, who said that the state of siege enforced in the country since this past November will not prevent the rally.

The government of President Jaime Paz Zamora has recently reiterated its decision to eradicate 6,000 hectares of coca plantations in 1990, 1,000 hectares more than is required annually in the Coca Planting and Controlled Substances Law.

Bolivia produces about 155,000 tons of coca leaves per year. Authorities calculate that 80 percent of that amount goes into the preparation of cocaine paste, which is later refined in Colombian laboratories.

Bomb Explodes at National Institute of Statistics

PY1701111090 La Paz La Red Panamericana in Spanish 0000 GMT 17 Jan 90

[Text] At approximately 1800 this afternoon, a medium-strength bomb exploded at the National Institute of Statistics [INE].

According to a report released by the INE, the bomb was found by an INE employee near the zoo. He decided to take the package to his work place where it exploded as he unwrapped it.

In their preliminary report, the police bomb squad indicate that the package contained enough detonators to cause the medium-strength explosion, which seriously injured the victim.

Minister on Air Navigation Radar Deployment

PY1701143090 La Paz La Red Panamericana in Spanish 1130 GMT 17 Jan 90

[Text] Aeronautics Minister Luis Gonzales Quintanilla has said that the government will deploy radar installations in eastern Bolivia to support civil air navigation and occasionally to support the antidrug fight.

The minister said that consultations and negotiations were held with European governments, especially with the Italian Government, which promised to install two powerful air navigation radar units.

Quintanilla reiterated that Bolivia does not need military radar to support the antidrug fight, and less still those supplied by the (?U.S.) Government.

Gonzales stressed that the Bolivian Air Force can control the Bolivian airspace and that it can guarantee our sovereignty.

Aeronautics Military Under Secretary Installed

PY1701125290 La Paz La Red Panamericana in Spanish 0000 GMT 17 Jan 90

[Text] Brigadier General Franz Moscoso Ruiz was installed this afternoon as new Aeronautics Military Under Secretary, replacing Brigadier General Erwin Greminger Duran.

Aeronautics Minister Luis Gonzales Quintanlla presided over the ceremony, which was held at the Aeronautics Ministry. During an impromptu speech, the Aeronautics Minister stressed the qualities of General Moscoso Ruiz, and asked him to work at the service of the Aeronautics Ministry and of the nation.

The minister also stressed the importance of aeronautics, not only in times of war but also in times of peace by uniting the regions of the country with the urban centers and by guarding Bolivian sovereignty and air space.

Referring to the outgoing under secretary, the minister said that Gen. Greminger is known for his serious and responsible work. He called upon Gen. Moscoso Ruiz for his cooperation in his new post.

Gen. Moscoso Ruiz thanked the government for the confidence placed in him and promised to work responsibly.

Commentary Views Communist Party Situation

PY1701135290 La Paz La Red Panamericana in Spanish 1130 GMT 17 Jan 90

[Unattributed commentary: "Panorama"]

[Text] Today is the 40th anniversary of the Bolivian Communist Party [PCB], which is an organization that has had some influence on Bolivian political history. No one can deny that this party has played an important role, especially in the struggle between various social classes, particularly the labor class, which used the pro-Moscow line to strongly demand compliance with the demands of the proletariat.

The PCB has had its victories and its failures, especially after joining the Popular Democratic Union which managed the country in an irresponsible manner.

During those 3 years, the PCB's sound structure was undermined to the extent of undergoing an irreversible split.

Lust for power made many Bolivian Communists give up their PCB memberships. This caused infighting and led the PCB to the sad situation it is in today.

Yet the Communist Party has not become weak only in our country. At a world level, thanks to the success of perestroyka, socialist governments have been forced to accept the thesis of Gorbachev. The collapse of the Berlin Wall, the people's revolution in Romania, and what is happening in other Soviet republics has shown that the world is undergoing a change, that it has begun a democratic process toward freedom.

The PCB must face up to the situation. It must modernize and update itself if it intends to remain as a valid organization in our country, and it must propose feasible solutions to its current internal problems.

* PRC Offers Funds for Industrial Development

90ET0062A La Paz HOY in Spanish 8 Dec 89 p 8

[Text] Businessmen in the People's Republic of China are prepared to make productive investments in Bolivia. Plans call for an initial $200 million to be used to establish new industries or to create partnerships with Bolivian industrialists in at least 26 production branches.

On this basis, a letter of intent was signed yesterday by Minister of Industry, Commerce, and Tourism Guido Cespedes and the Chinese ambassador, D. Chen Dengshen, and also Jin Fu Gen, the head of the mission visiting this country.

This group of business executives representing 24 industrial consortiums in Shanghai indicated their interest in participating in the establishment of industrial free zones, as well as in implementing intensive programs for the training of manpower in Asian technologies, which are renowned for their versatility, high yield, and low cost.

Minister Cespedes promised to make all of the procedures for facilitating the project in the shortest possible time more flexible, as well as to encourage prompt approval by the central government of the new Investment Code, the legal framework within which the Chinese investments will be made.

"The participation of the Chinese businessmen in the industrial free zones will make it possible, in the short run, to have industries which will increase production for local supply and will have export potential," the minister commented.

A list of the industrial opportunities which was drafted during the talks, reflecting the practical and executive aspects of the investors' intentions, mentions industrialization sectors in a range including timber (furniture, floorboards, plywood, construction, and semi-finished products), shoes, men's, women's, and children's clothing, knitting yarn, corduroy trousers, leather products, petit-point embroidery, spools of cotton and polyester thread, as well as sterile cotton for medicinal purposes and bleached fabrics.

Other categories include electronic games; traditional and plush toys; wool and silk rugs; medical and surgical instruments; crystal, ceramic, aluminum, and porcelain items; pewter ornaments for export; rabbit fur; hats; etc.

The Chinese businessmen will also become involved in the food sector, in connection with canned goods; red and other meats, including fish and pork, frozen fruits and vegetables; black, green, flavored, and dietetic teas; whale oil for candles; flowers; etc.

This list of possible items for local production and/or semi-processed raw materials for use in their manufacture in the country will be submitted to the ministry and the private industrial sectors for study.

* Plans for FRG Cooperation Outlined

90ET0062B La Paz HOY in Spanish 3 Dec 89 p 10

[Text] The launching of operations in Karachipampa, Bolivar, and the modernization of the Vinto foundary, as well as the building of dams for irrigation and peasant development in the country, are included in the plans of the FRG for cooperation with Bolivia.

The governments of the two nations have signed an extensive bilateral program for cooperation to ensure the advance of economic activity in the various sectors, within the framework of the plan for the economic reactivation of the country.

The German cooperation document provides for the allocation of $1 million for the maintenance of the polymetallurgical plant in Karachipampa, which will process lead and silver ores.

It will provide credit support through the National Mining Operations Fund (Fonem) in the amount of $2.5 million in 1990 and $6 to $7.5 million in 1990 [as published], to promote the extraction of lead and silver for processing at the Karachipampa plant.

It will allocate $11.5 million for financing the Bolivar Project in Oruro. These resources will also contribute to the establishment of joint ventures with private enterprises, the document says.

The Bolivian Mining Corporation has thus far spent $13 million to initiate the operations in this project, which is located in the department of Oruro. The extraction of mineral ores is essential in order to guarantee the operations at Karachipampa, the document says.

The German aid program also provides for the investment of $10 million to rehabilitate the tin smelter in Vinto, in Oruro. Work will be done at that plant to convert from fuel oil, the hydrocarbon currently used to operate this enterprise, to natural gas.

Also, German experts will come here to make some changes in the machinery used in the processing of ores with a low and high tin content. The machinery is 20 years old and needs modernization.

To this program will be added a project designed to control environmental pollution by eliminating fallout from the chimneys, the document says.

In the mining sector, the FRG has allocated about $6 million for the improvement of living, health, education, and housing conditions in the Bolivian Mining Corporation camps.

Management of this program will be the responsibility of the Emergency Social Fund.

A second aid package from this European nation is intended for building eight large dams to deal with the problems caused by drought and other needs, with a view to the agricultural development of the country.

Five dams will be located in Santa Cruz, two in Cochabamba, and one in Chuquisaca. The eighth dam project will involve the improvement of the Huarina-Penas Dam in the department of La Paz, the agreement provides.

The part of the agreement pertaining to health services for the capital cities calls for the development of programs to provide drinking water and sewage systems for Sucre, La Paz, Oruro, and Santa Cruz.

Also, $7.5 million will be spent on alternative development programs in the tropical region of Cochabamba, within the framework of the plan for complete replacement of the coca plantings in the zone.

In the energy sector, two electrical turbines will be installed in the city of Cochabamba, as well as one in Santa Cruz, to supply electricity to these regions which have recently suffered shortages because of the drought.

The Corani and Santa Isabel de Cochabamba facilities have not had sufficient capacity to guarantee the distribution of electricity, as a result of low water levels in the dam reservoirs, the document explains.

The aid plan also calls for maintaining the roads which link the country's main cities.

At the same time, $12.5 million will be allocated for the replacement of all of the National Railway Enterprise (ENFE) locomotives, to make it possible to export the ores in the western part of the country and to market the soybeans in the eastern portion.

The equipment the ENFE is currently using was manufactured in Germany, the document says.

The German cooperation program calls for the electrification of the towns of Villamontes and Yacuiba. This plan will be carried out immediately, in view of the needs of these localities in the southern part of the country.

The complex of programs planned for the country calls for the preservation of the national resources in the Noel Kempff Mercado National Park in Huanchaca and the tropical forest in Alto Paragua, in the eastern part of the department of Santa Cruz.

Other projects provide for the reforestation of 4,000 hectares in areas near the city of Santa Cruz, where erosion which threatens the ecological balance of the region is becoming increasingly serious.

In the leading cities of the country, a plan for the collection of garbage and solid waste will be developed in order to protect the environment and prevent pollution, the document says.

The FRG cooperation agreement with Bolivia also calls for providing the Lloyd Boliviano Airline, the Peasant Development Fund, and educational projects with technical and economic support.

* New Cuban Ambassador Presents Credentials

90ET0062C La Paz HOY in Spanish 9 Dec 89 p 9

[Text] Bolivia and Cuba will embark on a broad bilateral relationship in various sectors, now that the government of that Caribbean nation has accredited an ambassador to our country, after a lapse of more than 25 years. This was announced by President Jaime Paz Zamora after the ceremony during which the Cuban diplomat, Angel Gustavo Brugues, presented his credentials in La Paz.

The chief of state expressed his great satisfaction at the first appointment of an ambassador since the triumph of the Cuban revolution on 1 January 1959. This appointment will lead to the expansion of the prospects for mutual cooperation.

In announcing the exchange of ambassadors by Bolivia and Cuba, Paz Zamora said that as a chief executive, he feels honored, because this relationship is being established with "a great personal friend, President Fidel Castro." This state official expressed his conviction that the two Latin American nations will undertake joint tasks in various fields. He also praised the Cuban solidarity evidenced by the establishment of centers in the health sector.

The new diplomatic representative, for his part, brought Commander Fidel Castro's greetings to Paz Zamora, and he also presented him with a gift.

Brugues gave assurance that the new level of Bolivian-Cuban relations will make possible excellent advances in the various fields in which the two nations might pursue their activities.

The diplomat presented his credentials during a ceremony which was held at the gate of the government palace. The Colorados de Bolivia band played the Bolivian and Cuban national anthems, and a detail of the presidential escort rendered homage at his investiture.

On the other hand, the new Bolivian ambassador to Havana, journalist Oscar Pena Franco, has told HOY that he will travel to Cuba on the 25th of this month to begin his diplomatic mission.

* Military Relations With Cuba Unchanged

90ET0062D La Paz HOY in Spanish 11 Dec 89 p 4

[Excerpt] (ANF)—The recent visit paid to the Republic of Cuba by more than 50 of our military and civilian personnel failed to achieve the launching of a new era in the relationship of the military institutions, since "this subject is still under study."

This fact was announced by the commander in chief of the Armed Forces of the nation, General Jorge Moreira Rojas, who said that the military high command is assessing the potential for establishing a new era in the relations between the Armed Forces of the two nations in the future.

During an interview granted by the president of the Republic to the students at the School of Higher National Studies and the War College of the Bolivian Air Force, some military officers suggested to him that a new relationship involving the exchange of visits with this country be launched, in order to exchange military study experiences.

In connection with this suggestion, the commander in chief of the military establishment said that "this would be a hasty move, because such desires need rigorous analysis on the basis of Bolivia's military interests."

Gen Moreira Rojas said that in a democratic regime, the Armed Forces play a productive role through the projects carried out by the various specialized units that contribute to the development of the country's regions. [passage omitted]

Brazil

Cancellation of Colombia Blockade Termed 'Wise'

PY1501130290 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 15 Jan 90

[Text] Itamaraty has praised the U.S. decision not to blockade Colombia's coastline. Itamaraty Spokesman Rui Nogueira has praised the U.S. decision to call off the blockade of Colombia's coastline aimed at fighting drug trafficking. It is wise, he said, referring to Washington's decision to seek a diplomatic understanding with the Colombian Government in which the two countries will in the future stage joint naval maneuvers to confront the drug trafficking problem.

[Begin Nogueira recording] This is the way. Obviously, any unilateral decision at this very delicate moment in U.S.-Latin American relations might result in increased friction between the United States and its partners in the south. [end recording]

President-Elect Appoints Cabinet Ministers

Navy, Army, Aeronautics Ministers

PY1701201690 Rio de Janeiro Rede Globo Television in Portuguese 2001 GMT 17 Jan 90

[Text] President-elect Fernando Collor de Mello has appointed Admiral Mario Cesar Flores as minister of the Navy; General Carlos Tinoco as minister of the Army; and Brigadier Socrates Da Costa Monteiro as minister of aeronautics.

Justice Minister

PY1401233090 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 14 Jan 90

[From the "O Fantastico" newscast; monitored in progress]

[Text] ... and the political action of the future government.

The future justice minister is 56 years old and has been a public employee for 33 years. He began his career as Amazonas State police chief and was the chairman of the Brazilian Lawyers Association from 1981 to 1983.

Jose Bernardo Cabral, who was born in Amazonas State, was elected federal deputy on the Amazonas State PMDB [Brazilian Democratic Mobilization Party] ticket in the last elections. He was the coordinator of the Constituent Assembly and was responsible for part of the text of the current Constitution. As a member of the Constituent Assembly he voted against reducing President Sarney's term in office, against an increase in the amount of the pensions paid to the retired employees, against a Petrobras [Brazilian Petroleum Corporation] monopoly in the distribution of gasoline, and against presidentialism. Cabral voted for agrarian reform and the right of public employees to strike.

Justice Minister-Designate Bernardo Cabral granted a news conference immediately after being appointed minister. He announced that the Collor Administration intends to reach a broad agreement with civilian society. For this reason, Cabral will contact civilian organizations such as the ABI [Brazilian Press Association] or AB [expansion unknown], CNBB [National Conference of Brazilian Bishops]; CUT [United Federation of Workers]; and CGT [General Federation of Workers]

During the news conference, Cabral also commented on the fight against corruption and the way the Collor Administration intends to submit proposals to Congress.

[Begin recording] [Cabral] President Collor's main goal is to respect the Constitution fully. The provisional measures that are identified with the constitutional text and are of constitutional interest will be adopted. When the provisional measures do not have these characteristics, they will be adopted the same as bills.

[Reporter] Do you believe it will be necessary to start a catch-the-thief operation right from the start?

[Cabral] I have accepted the appointment as Justice Minister and will act in accordance with the importance of this position. This Catch-the-Thief operation is a police matter; it is not to be handled by a minister of state. All violations of the Penal Code will be investigated by the appropriate organ of the government. [end recording]

Strike Paralyzes Oil Refineries Nationwide

PY1701114890 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 16 Jan 90

[Excerpts] Today PETROBRAS [Brazilian Petroleum Corporation] said it will import gasoline and byproducts if the oil workers' strike threatens the normal supply.

Oil workers today began a nationwide strike at all the 11 Petrobras oil refineries throughout the country. The Duque de Caxias refinery in Rio operated only partially. Workers from the night shift were not allowed to leave and kept the refinery partially operational with reduced production.

According to PETROBRAS, there is sufficient gasoline for 16 days, alcohol fuel for 12 days, diesel oil for 10 days, and fuel oil for 30 days. PETROBRAS directors said they will not negotiate with the strikers and will not change their proposal of a 21.47-percent salary adjustment. [passage omitted]

The largest refinery in the country, which is in Paulinhas, and the other three refineries in Sao Paulo continued operating today despite the strike. The workers are deciding what action to take to close down the plants.

The oil workers' strike has affected the four PETROBRAS refineries in Sao Paulo. These refineries are responsible for the production of 45 percent of all oil by-products in the country. The change of shifts at 0000 today was suspended. The (Barbuery) distribution terminal has stopped operating and the refineries are operating with workers who came on shift at 1530 yesterday. The Paulinhas refinery is operating and refining 200,000 barrels of oil a day as usual. Workers and managers met throughout the morning to discuss how to keep the refinery operating but not producing. No agreement was reached. [passage omitted]

Major Rio de Janeiro Drug Trafficker Arrested

PY1601232290 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 16 Jan 90

[Text] The Rio de Janeiro Police will transfer drug trafficker Isaias da Costa Rodriguez, alias Isaias do Borel, to the Bangu I maximum security prison this afternoon. This criminal, who was the last big drug trafficker still at large in Rio de Janeiro, was arrested yesterday. Da Costa controlled drug-trafficking activities in the Borel Hill area, north of Rio de Janeiro.

Isaias da Costa Rodriguez, 27, was arrested as he arrived late yesterday afternoon in a black Fiat Uno at Borel Hill in Tijuca District, north of Rio de Janeiro. The military police found that he was carrying a 9-mm gun, ammunition, a bloodstained knife, forged identification documents, and 93,000 new cruzados. Isaias did not resist arrest.

Isaias was held at a military police unit for 4 hours for questioning. He told the police officers that he was on his way to attend his daughter's birthday party and to visit a friend injured by a gunshot.

Late last night Isaias was transferred from the military police unit to the Polinter—the Interstate Police Division—quarters in downtown Rio de Janeiro. He was questioned again, until 0300 today. The drug trafficker told police he earned 1.8 million new cruzados a week by selling marijuana and cocaine. Isaias is currently locked in a cell with another drug trafficker under military police surveillance.

Isaias' lawyer visited him this morning, and Isaias told him that he had been turned in through the treason of a member of his gang. Isaias da Costa Rodriguez was previously sentenced to 12 years in prison for drug trafficking and he also has an arrest warrant pending for having stolen Army weapons. He will soon be transferred to the Bangu I maximum security prison, west of Rio de Janeiro, where the most important drug traffickers in the state are imprisoned.

Colombia

'Extraditables' Urged To End Kidnappings, Drugs

PA1501200790 Bogota Inravision Television Cadena 1 in Spanish 1731 GMT 15 Jan 90

[Passages within quotation marks recorded]

[Text] The church, three former presidents, and the Patriotic Union [UP] today asked the Extraditables to release all of their hostages and to suspend cocaine shipments from Colombia.

This important position was stated by former Presidents Lopez, Turbay, and Pastrana Borrero, Cardinal Mario Revollo Bravo and UP President Diego Montana Cuellar in a document released today.

Former Presidents Alfonso Lopez Michelsen, Julio Cesar Turbay Ayala, and Misael Pastrana Borrero, as well as Cardinal Mario Revollo Bravo and UP Leader Diego Montana Cuellar made public a document called "Declaration and Call Against Violence in Colombia" today.

The document asked the so-called Extraditables to release their hostages and suspend drug shipments; they are asked to do this so that when they face the law they will be treated less severely than President Barco's government is calling for.

Some national leaders gave their opinions on the document, its purpose, and a possible consultation with top government authorities.

[Montana] "The document calls on the Extraditables and all those who are holding hostages at this time to help solve this grave problem in Colombia."

[UP Leader Edgardo Jaramillo] "All steps leading to reconciliation among Colombians which can contribute to end all forms of violence—kidnapping is a violent action—should be welcomed and are fully supported by the UP and me personally."

Issue Communique Accepting Defeat

PA1701192390 Bogota Inravision Television Cadena 1 in Spanish 1736 GMT 17 Jan 90

[Text of communique issued by the Extraditables and delivered to the government and news media by former Extraditable hostages Patricia and Diana Echavarria on 16 January; place not given—read by announcer]

[Text] 1. We have learned about the patriotic invitation included in the document signed by Monsignor Mario Revollo Bravo and by the distinguished former presidents Alfonso Lopez, Julio Cesar Turbay, and Misael Pastrana and by Patriotic Union President Diego Montana Cuellar.

2. To respond to such proposals, we reiterate our well-known commitment to peace expressed in our most sincere and frank statements.

3. We fully share the criteria expressed by them regarding the survival of the state and government, which was democratically elected, against organizations and people like us, who have shown no regard for the law by fighting institutions and the legally established order.

4. After evaluating our conduct under the previous concept, we are only interested in peace, tranquillity, and democracy for our fatherland and for our people.

5. As a result, we accept the victory of the state, the institutions, and the legally established government. We will lay down our weapons and other means of struggle for the sake of the country's best interests.

6. We accept the legal order that is currently in force with the hope that the government and society will respect our rights and will allow us to return to our families and communities.

7. As an absolute proof of our interest in achieving peace, we have decided to immediately release Mrs. Patricia Echavarria and her daughter and other people who are being held hostage, as circumstances permit. We would like to add that we are not responsible for all the cases of kidnapped people of which we are accused.

8. We offer our services as mediators to achieve peace with the emerald traffickers, the so-called paramilitary groups, and the so-called hired assassins with the only purpose of ending the violence that is hurting our Colombian fatherland.

9. We have decided to suspend the shipment of drugs and to turn in our weapons, explosives, laboratories, clandestine landing strips, and other elements that are related to our activities as soon as we obtain constitutional and legal guarantees.

10. There will be no more bombings anywhere on national territory, and we have ordered the suspension of all types of executions of political leaders, government officials, association leaders, judicial officials, journalists, policemen, and soldiers.

11. The essential reason for our struggle has been and will always be our families, our freedom, our people, our lives, and our rights as citizens of this fatherland.

[Signed] The Extraditables, 16 January 1990

2 Members To Be Extradited

PA1701190590 Hamburg DPA in Spanish 1800 GMT 17 Jan 90

[Text] Bogota, 17 Jan (DPA)—The Colombian Government ordered the extradition of brother and sister Roberto and Diana Caballero Rangel to the United States. The two are accused of belonging to the Medellin Cartel mafia, the most powerful drug-trafficking organization in the world, which today admitted its defeat in the face of the antidrug operations carried out by the authorities.

According to the Justice Ministry, the two may be sent in the coming hours to North Carolina where a federal court will arraign them on charges of distributing cocaine and money-laundering activities.

Meanwhile, the government reported that a summons has been issued for the arrest and subsequent extradition of alleged drug trafficker Joaquin Gallo Chamorro, who is wanted by a Florida State court. After President Virgilio Barco's administration declared "war" on drug trafficking last August, 11 mafia members have been brought to justice in the United States.

The Medellin Cartel, in an unexpected message issued today, admitted its defeat by the authorities and announced the dismantling of all its criminal operations in exchange for its members being reintegrated into society.

Politicians, Businessman Comment

PA1701215490 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Jan 90

[Text] There have been many reactions to the extraditables' communique. Bernardo Jaramillo of the Patriotic Union, Rodrigo Lloreda Caicedo, presidential candidate of the Social Conservative Party, and Jose Raimundo Sojo, general manager of FEDEGAN [Association of Colombian Cattlemen], addressed the issue.

[Begin recording] [Jaramillo] I believe it is an important step toward achieving peace in Colombia. Nevertheless, I believe that the document by itself cannot determine the course of action Colombian society or the Colombian state should enforce. The document must be accompanied by actions, the very actions they have announced. If the violence they have been promoting truly stops, the ball would be in the government's court and the government could listen to the Colombian people's voice and feelings, turn a deaf ear to U.S. impositions, and make a decision within that framework.

[Lloreda] It is now the government's responsibility to establish the courses of action. In other words, the government should continue its policy of not believing in the reconciliation proposals it has received and not entering into a negotiations process which the Colombian people would naturally look upon with a certain amount of skepticism and disbelief. Only the government can know exactly to what extent the guarantees exist for a process of this nature to truly be an efficient path to public tranquillity.

[Sojo] I am willing to support the government in all it does within its already established course of action to return tranquillity and peace to the country. [end recording]

Government Minister Comments

PA1701214290 Bogota Inravision Television Cadena 1 in Spanish 1738 GMT 17 Jan 90

[Text] On learning of the Extraditables' statement concerning the release of kidnapped persons and the suspension of drug-trafficking activities, Government Minister Carlos Lemos Simmonds, expressing his satisfaction, said today the government has won the war against drug-trafficking without engaging in any negotiations.

[Begin Lemos Simmonds recording] I am very pleased, knowing that we have fulfilled our duties and that the authorities who implemented the no-deal policy have won a war that many believed was lost. [end recording]

Minister Lemos Simmonds also said that the government will not reverse its extradition policy because extraditions are a legal tool that has been in effect in Colombia since 1888.

[Begin Lemos Simmonds recording] I signed the decree that reestablished administrative extradition procedures, and I signed it with complete awareness. I cannot say anything different now from what I said 4 or 5 months ago. [end recording]

The minister said the government will not negotiate with the drug-traffickers, but also will not act arrogantly in defeating them. He added that new measures aimed at stopping kidnappings in the country are being studied.

[Begin Lemos Simmonds recording] Of course not all the kidnapped people have been released. Let us hope that the drug-traffickers and Extraditables' promise—that no one will be kidnapped again—is kept. The truth is I cannot say that there will be no more kidnappings. [end recording]

The government has considered the possibility of suspending the extradition of drug-traffickers to the United States if they put down their weapons and suspend their drug shipments abroad.

Offered 'Guarantees,' Not 'Deals'

PA1801022690 Paris AFP in Spanish 0052 GMT 18 Jan 90

[Text] Bogota, 17 Jan (AFP)—The Colombian Government has offered full guarantees of due process [garantias procesales] to drug traffickers who lay down their weapons and stop terrorist activities and smuggling drugs to other countries. However, Colombia said it will not enter into deals with them that may violate the Constitution or the laws.

The statement, which was the first to be made by an official source, was made by Government Minister Carlos Lemos to a television newscast.

Commenting on the communique in which the extraditables offer to end their illegal trade, release the hostages they are holding, and stop their attacks in order to obtain from the government and society "respect for our rights and return to our families and communities," Lemos said: "The Colombian Constitution and laws guarantee due process and the right to defense, but of course they also demand that those who break the laws submit to them so that through the judges, and independent of any intervention by the government, the degree of responsibility of each one of them, and whether there are grounds for punishment can be determined."

He added: "These persons, the drug traffickers, will enjoy full legal guarantees, but this does not mean that there will be compromises of any kind because there is no doubt that the government cannot violate the Constitution."

Explaining that the government has won this war on the basis of making no concessions, Lemos said: "I do not see any reason to change our policy of not negotiating when our own enemies have said that this policy has triumphed."

In their communique, which was delivered through two women who were kidnapped and released in Medellin, seat of the cartel by the same name, the drug traffickers recognized the state's victory over the criminal organization and, at the same time, offered to abide by the laws.

Rules Established for Vessels Off Coast

PA1701183790 Bogota FL TIEMPO in Spanish 8 Jan 90 pp 1, 9-A

[Report by Edgar Torres]

[Text] Colombia has notified the United States that even in high seas off Colombian territorial waters the naval or aerial forces of that country cannot board Colombian-flagged vessels or aircraft without prior authorization from the government of President Virgilio Barco. This applies even when there are strong indications that the vessels might be transporting cocaine.

The Narino Palace termed the reply that it received as positive because it implies that the U.S. Govermment "agrees" to comply with the required consultation and to seek authorization from Narino Palace prior to boarding vessels on the high seas.

As this news was being made public, National Security Council Advisor Brent Scowcroft in Washington admitted that two U.S. Navy warships were heading for Caribbean waters, but dismissed reports of an alleged naval blockade off Colombian coasts.

"What we would do, should we do anything, would be to get involved in a joint effort together with the countries involved," said Scowcroft. As for Colombia, the official admitted that "there have been problems stemming from premature and incorrect leaks concerning what we really had in mind."

Scrowcroft was referring to the Colombian Government's categorical refusal to allow operations in its territorial sea and to participate in joint maneuvers on the Caribbean high seas.

Official Colombian sources said that this position of the Colombian Government is definitive, and will be held during the upcoming summit of the presidents of Colombia, the United States, Bolivia, and possibly Peru, in February in Cartagena.

EL TIEMPO confirmed on 7 January through fully reliable sources that President George Bush had asked Colombia to consider the viability of a joint operation involving the military forces of the two countries in Caribbean waters last week.

According to the Pentagon, such maneuvers would help establish efficient controls on the departure of vessels and aircraft used to transport cocaine into U.S. territory.

The characteristics of the maneuvers would be similar to the Hat Trick operation that took place in November 1984 when 24 Navy vessels and the Coast Guard headed operations in the Caribbean Sea to curb drug shipments heading for Florida.

According to sources at the highest levels, the Colombian Government rejected that proposal and told the Bush administration that "Colombia would not participate in joint maneuvers in territorial waters or on the high seas."

The source added that "and much less would foreign maneuvers be authorized in Colombian territorial waters."

Also according to the source, "on 6 January President Barco made several contacts and obtained a U.S. Government commitment to refrain from taking action, even in high seas, without prior Colombian authorization."

The source added that "the chief of state has already advised Defense Minister General Oscar Botero, Military Forces Commander General Nelson Mejia Henao, and other high-level officials about this commitment."

Reports on an alleged blockade began to circulate when it was learned that on 4 January the "John F. Kennedy" aircraft carrier and the "Virginia" corvette had sailed out of a Norfolk base for Caribbean waters on what the State Department described as "routine maneuvers."

However, EL TIEMPO learned that the Bush administration not only will not anchor its vessels within the 24 miles of territorial waters and the so-called adjacent sea, and between the 24 and 200 maritime miles - which is known in international maritime law as Exclusive Economic Zone, but will have to request permission to board Colombian-flagged aircraft or vessels even when there is evidence that they are transporting cocaine.

The possibility of boarding aircraft and vessels as an instrument in fighting drug trafficking was the focus of heated debates within OAS forums which sought to apply the Vienna Convention to the use and abuse of psychotropic substances.

Finally, Armed Forces Commander General Nelson Mejia Henao denied on 7 January that there are U.S. Army advisers or members on Colombian territory. "There is not a single one of them in the country. If you find one, show him to me," he said.

Mejia's statement was in reply to a report in the THE NEW YORK TIMES claiming that 60 to 100 military advisers are in a military training camp in Colombian territory.

Editorial on U.S. Naval Presence Controversy

PA1801003490 Bogota EL TIEMPO in Spanish
9 Jan 90 p 4A

[Editorial: "Serenity and Information"]

[Text] The controversy created by the presence of a U.S. Naval force just outside our territorial waters to control the departure of boats and airplanes loaded with cocaine occurs under three complexes: first, the anti-"gringo" feeling encouraged by irredeemable leftists and juvenile minds fallen prey to a nationalism that leads to understandable but uncontrollable fits before reaching 40 years of age; second, the complex awakened by the Noriega case in which U.S. troops solved the Panamanian crisis and created a case of flagrant intervention by violating international laws—this, when even talking about a U.S. intervention in Latin America is like touching the nerve of a tooth being treated to prevent an extraction; and, finally, the crisis within socialism. The beginning of the end of communism has left the world unprotected in the battle between the two colossi which are ready to intervene against each other when trying to gain an advantage in the international chess game. Above all, the information has not been clearly given to the people and there has been a lack of serenity and objectivity in the analyses about what is occurring or might occur in the future.

We have forgotten the Vienna Convention, where the signatory countries—Colombia included—approved cooperation aimed at controlling the transport of deadly drugs through international waters and air space. This clause allows U.S., Colombian, Chilean, or French ships to stop any seagoing vessel if there is sufficient evidence it is carrying narcotics. We recall the time when British frigates were sent to help the Colombians. This was joyously welcomed by the entire country, and the action, which contrasts with the scant weapons or economic aid sent by the United States, was cited as true evidence of friendship. The United States has offered to set up a marine control network—read it well—in international waters. Likewise, official sources in Washington report that no operation whatsoever will be carried out in Colombian waters. It is incredible how measures which are logical and in accordance with reality can create an unnecessary psychosis of invasion or intervention similar to the presence of foreign troops on our territory, which—and this must also be quite clear—we would be the first to openly oppose.

We know from reliable sources that there has been a dialogue between the Colombian and U.S. presidents in this concern, and the exchange of information has been clear and precise. It would be very convenient to learn the contents of those talks.

That is not all. Any action that may provoke an incident or be taken for a violation of our homeland's sovereignty must be discussed with Colombian authorities. What seems clear in the eyes of any observer is complicated by the hysterical and sometimes initial reaction of unprepared citizens driven by improper information, editorials, and headlines. We must say that the newspapers, radio, and television all have their share of guilt in this. They have created a feeling akin to fear, and some of the people already hear the echo of the U.S. Marines' boots in Cartagena, Buenaventura, or Barranquilla. That is why we demand more explicit information from the Colombian and U.S. governments to dispel the doubts. It is easy to do this and we are sure that Presidents Barco and Bush will continue to directly exchange views and information. It is evident that the lack of information in the United States is a result of the government's intimate desire to attain greater legislative support; hence, the actions against drug trafficking are kept on the front line to appease the restlessness of many a senator exasperated by the noxious effects of drug trafficking in the United States.

Referring to this, it is not excessive to request that such actions be mainly carried out within U.S. territory, not outside. It would be idiotic and senseless to reject such cooperation in the battle against drugs, or to rid ourselves of the heavy burden being carried on Colombian shoulders so other nations may carry it. One cannot reject allies in a war; instead, one must seek them out. This is shown by history, then and now.

Law on Illegal, Seized Properties Approved

PA1401164590 Madrid EFE in Spanish 0607 GMT 11 Jan 90

[Text] Bogota, 10 Jan (EFE)—Properties seized from drug trafficking mafias will become state property unless the legal origin of these properties is proven within 5 days of their confiscation, according to special decrees approved on 10 January by the Colombian Government. The government is trying to keep drug traffickers from "buying back" their properties, real estate, money, bonds, commodities, and other goods through "legal ploys" or "front men" who may act on their behalf, an official communique noted.

The new law approved by President Virgilio Barco "raises obstacles that will keep the mafias from getting back their properties through clever dealings."

In addition, the final goal is that the seized goods will be administered for the benefit of the national economy and social assistance entities.

The National Drug Council, an office of the Justice Ministry, will manage and act as custodian of the goods that have been seized thus far, estimated to be over 300 real estate properties, a large number of aircraft, vessels, cars, and foreign currency accounts in a yet undisclosed total amount.

Justice Minister Roberto Salazar, Public Health Minister Eduardo Diaz, Education Minister Manuel Becerra, Agriculture Minister Gabriel Rosas, National Defense Minister General Oscar Botero, and Communications Minister Enrique Damies Rincon will comprise this council which will decide how to dispose of the seized goods.

Also included in the council are Administrative Department of Security Chief General Miguel Maza, National Police Director General Miguel Padilla, Customs Chief Jose Joaquin Palacios, Civil Aeronautics Chief Yesid Castano, and Attorney General Alfonso Gomez Mendez.

The decree points out: "To check drug traffic and for the good of Colombia, it is necessary to confiscate goods and properties of all kinds directly or indirectly linked to drug trafficking and crimes related to or originating in this traffic."

By means of this decree, the state makes a commitment "to keep, preserve, and ensure the profit from the confiscated goods and properties for the benefit of the national economy, which has been disturbed by the antisocial groups involved in drug trafficking."

Whoever wishes to claim ownership of any of the confiscated goods can appear in person before the judge handling the confiscated properties within 5 days following the legal action, with evidence proving the legal origin of the goods and the purpose for which they had been intended.

Only the judge can decide the final fate of the goods and properties initially administered by the National Drug Council.

If the 5-day deadline stipulated for the claim expires, such expiration will be regarded as a "sure indication" that the origin of the goods and properties is illegal.

Drafts, securities, money orders, shares, and foreign currency can be converted into Colombian pesos and deposited in the state's account in the government bank.

The decrees against drug trafficking, the first approved in 1990 as part of the "all-out war" that President Barco declared against the drug cartels on 18 August 1989, juridically fall within the state of siege in force since 1984.

Government Minister on Rebels, Kidnappings

PA1301193490 Bogota Radio Cadena Nacional in Spanish 1200 GMT 13 Jan 90

[Text] Bogota—Colombian Government Minister Carlos Lemos Simmonds said on 12 January that as long as the guerrilla groups continue to respond to the government's peace efforts with military actions, the government will also have to respond militarily. Minister Lemos was referring to the current attacks that have been launched by several rebel groups throughout the country. Minister Lemos said that the Executive Branch is worried about the country's public order, and added that the government is determined to use the Army and the police to fight violence.

Likewise, Lemos Simmonds described the guerrilla groups still launching attacks throughout the country as anachronistic and outdated. He said we hope this situation will change soon, and stressed that seeing what is happening in Eastern Europe, we cannot understand why many of the rebel groups are bent on imposing a system they consider ideal when it is being rejected and repudiated by so many states that imposed it. Minister Lemos said guerrilla action should be updated; the rebels should stop and consider whether the struggle they are waging is worth it since the system they are defending is a thing of the past.

Minister Lemos also talked about the wave of kidnappings that is rocking the country. He said the Government and Defense Ministries are taking special measures to deal with the situation. He said we cannot continue to justify the use of kidnapping as a political weapon and added that the government will deal with all those involved in kidnappings as common criminals. The minister also asked the people to cooperate with authorities in locating those areas where the bands of criminals are operating.

The government minister also talked about a dialogue with the Revolutionary Armed Forces of Colombia, FARC, and said that discussing a dialogue is useless if they continue their subversive activities.

Simon Bolivar Guerrilla Proposals for Dialogue

PA1601181490 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 11 Jan 90

[Text] The Simon Bolivar Guerrilla Coordinating Board has proposed, among other fundamentals for a dialogue with the government, that President Barco sponsor a plebiscite to decide on holding a national constituent assembly with the participation of economic associations, labor unions, and worker and peasant organizations, in addition to political parties, the church, the military and the guerrillas. The board maintains that it will be possible to democratically amend the Constitution in this way.

The Simon Bolivar Guerrilla Coordinating Board proposes, in a document presented for President Barco's consideration, that Colombians be asked in the plebiscite whether they want to continue the state of siege.

The document, signed by the leaders of the coordinating board, states that the country needs a purge of the Armed Forces, the justice department, and the government itself. The leaders say it is necessary to freeze or reduce the price of staples consumed by Colombians, and stop the devaluation of the currency, even if this requires a break with the IMF.

Finally, the document states that true urban and agrarian reforms are urgently needed to benefit the poorest people.

UP To Continue Campaign; Seek Protection

PA1701000390 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 14 Jan 90

[Report by Azucena Lievano]

[Text] After 1 day of proposals and analyses, the Patriotic Unity [UP] plenum agreed to continue its election campaign. The party, however, will demand protection for its candidates. UP also pointed out the need for a bilateral cease-fire between the guerrillas and the Army, because this is the only way for negotiation and dialogue in Colombia.

[Begin recording] [UP President Jaramillo Ossa] This plenum has agreed that we will participate in the elections despite the lack of protection and the continued violence unleashed against our members in various parts of the country. We are confident that our candidates will be listened to and that we will surely increase our presence in public institutions.

[Lievano] Are you still the UP presidential candidate?

[Ossa] We hope to hold a great congress in March at which the UP will nominate me the presidential candidate. Other leftist sectors, including the Socialist Workers' Party, have expressed support for my candidacy. [end recording]

The UP has requested the presence of international observers so the Colombian people can be given proper protection to cast their votes and so the political parties can freely participate in the elections.

Authorities Arrest 11 EPL Guerrillas

PA1801000790 Bogota Radio Cadena Nacional in Spanish 1200 GMT 15 Jan 90

[Text] Medellin—Eleven members of an urban guerrilla cell of the EPL [Popular Liberation Army] people's militia were arrested within the last few hours in Apartado Municipality during a military operation in Uraba.

According to an official report, the subversives—including Angel Dario Guerrero, known as El Burro, who is the alleged leader of the EPL people's militias in the Uraba region—were captured after a house was raided. It was reported that those arrested had weapons and uniforms used by the military forces, subversive propaganda, and documents outlining activities carried out by this guerrilla organization.

* Presidential Candidate Lloreda Discusses Views

90ET0065C Bogota EL TIEMPO in Spanish 89 pp 1A, 8A

[Interview with presidential candidate of the Social Conservative Party, Rodrigo Lloreda Caicedo, by correspondents Maria del Rosario Arrazola and Dario Restrepo Velez; date, place not given; first four paragraphs are introduction]

[Text] Rodrigo Lloreda Caicedo, a Social Conservative from Cali with the "look" of a statesman, has taken all of the steps to become president of the Republic. He has trained for it.

His career began at age 26 when he was named governor of Valle del Cauca, his department.

His name has been in the news ever since then: congressman, foreign minister, education minister, ambassador in Washington, and presidential designate.

He has a thorough command of economic issues and is familiar with the workings of politics. For these reasons, owing to his curriculum vitae and to his professional training, he knows that next Thursday his party's convention could nominate him as the Social Conservative candidate.

[EL TIEMPO] Some people are saying that the Conservative Party is in serious trouble. What is your opinion?

[Lloreda] I'm more optimistic. I don't suffer from the defeat syndrome. A party that elected 450 mayors a year and a half ago and that found its way around in the new political scene, the regional scene, is a party that enjoys complete currency. Of course the relations among the party's leaders have hurt us. That's indisputable.

[EL TIEMPO] What sort of things?

[Lloreda] Dr Gomez' most recent statements, when he said that he doesn't want to abide by the convention. When he says that he would be willing to vote for a ruling-party candidate, he unquestionably creates confusion.

[EL TIEMPO] What proposals do you have for resolving this crisis?

[Lloreda] First, let's not expect a miracle at the personal level. The party is hoping that Pastrana and Gomez will have breakfast some day. So for the time being we're waiting....And second, let's seek a solution along institutional channels, so that if the leaders do not reach an understanding, the party can set its own standards.

[EL TIEMPO] The feeling that this situation creates is that a minority party, one of whose leaders is causing such confusion, does not have much of a chance for victory.

[Lloreda] That would be the initial conclusion. But the situation among the rank and file is different. They're not divided. And their pressure is very useful if it influences the attitudes that party leaders take, which cannot be individualistic.

[EL TIEMPO] If the rank and file is united and the leaders are divided, then what situation is the party in?

[Lloreda] I propose this prescription for unity: If in the first two ballots I don't get two-thirds, I'm willing to have a grassroots consultation. A consultation is an invitation with a name on it; it's addressed to Dr Gomez so that he will reconsider his position. He has enough power at the convention to prevent anyone from getting two-thirds, and so there's not likely to be a candidate.

[EL TIEMPO] Why do you think your party doesn't accept a grassroots consultation?

[Lloreda] The Conservative Party did not see the need for such a procedure. It wasn't a condition for unity. Gomez Hurtado has not said: "I'll opt for unity if there's a consultation." If that's the prescription, we'll surely accept it.

[EL TIEMPO] It is said that the Conservative Party did not know how to take advantage of its opposition status, that it didn't carry it to public squares or even into Congress. What is more, the Liberal lawmakers were the ones who carried on the major debates in Congress.

[Lloreda] That is partly true, owing to the lack of a structure that could provide guarantees and power to such a plan. And the Liberal Party, with the natural momentum of its monopoly of power, had an incentive to assert its status as the winning party.

[EL TIEMPO] In its analysis the magazine SEMANA blames Pastrana for the crisis....

[Lloreda] The party has some leaders who are more influential than others, like Pastrana, and it has other figures who handle political aspects, like Gomez. The blame, if it exists, belongs to everyone.

[EL TIEMPO] You almost attribute the crisis in the Conservative Party to Alvaro Gomez. Doesn't Misael Pastrana deserve any degree of blame?

[Lloreda] Both are to blame. But Gomez more so. Pastrana may have made mistakes but he hasn't rebelled against his party.

[EL TIEMPO] But if someone rebels, it's because something isn't right.

[Lloreda] One can rebel without betraying the party. It can be done on the inside.

[EL TIEMPO] Is Gomez' rebellion treason?

[Lloreda] If he votes for a Liberal candidate, yes. If he doesn't agree with Pastrana, that's fine. No one is asking him to agree. But backing the hangmen goes against all imaginable standards.

[EL TIEMPO] But he's proposed voting for a Liberal in the framework of a national movement, and there was one time that the Liberals voted for a Conservative in a national movement.

[Lloreda] That was a constitutional compromise. I think that there's going to be a coalition government during the next 4-year term.

[EL TIEMPO] Don't you think that one of the reasons why the Conservative Party is not a choice is that the socioeconomic agenda that it is putting forth is not much different from the Liberal one?

[Lloreda] In Colombia the differences between national programs are not that frequent. Nevertheless, I do make distinctions: We do not advocate a predominant government. From the standpoint of law and order, there is not much difference.

As for economic and social policy, in 1986 we handed over an economy with a 14-percent inflation rate, and last year inflation was 28 percent, and there's going to be a repeat this year. We handed over a budget deficit under control, with reserves to cover contingencies. The situation is worse than the public perceives, because they've disguised it.

This time-bomb is going to explode. And it's probably going to be up to us Social Conservatives to defuse it, as happened during the previous 4-year term.

[EL TIEMPO] Are you in favor of rescheduling the debt?

[Lloreda] Yes. It's necessary for the country's social survival. The government can't ask a country indefinitely to work for foreign banks. The "Challenger" disbursements never arrived. The drop in coffee prices wound up throwing foreign trade into disarray. The government can survive if the "Challenger" is disbursed, which will give it time until August. But around then the second bomb, which is foreign trade and the balance of payments, will go off.

[EL TIEMPO] What solution do you propose for the situation of violence that narcoterrorism has created?

[Lloreda] We can't deal exclusively with narcoterrorism and forget that there's another worrisome problem: subversion. On this issue there isn't major disagreement with the administration. The presidential candidates in Colombia have offered vague policies for dealing with the guerrillas and deliberately vague ones on drug trafficking.

[EL TIEMPO] What do you propose?

[Lloreda] For dealing with subversion there have been remarks like "a firm but extended hand," which in practice has turned out to be no policy at all. The point is to put together a policy. The country has to make a decision. The State has demonstrated its inability to meet these challenges.

The first thing is to strengthen the country's institutions. Such power would not necessarily be put to use but would serve to negotiate with the guerrillas from a position of strength to impose certain conditions.

[EL TIEMPO] Does strengthening institutions refer to the Armed Forces?

[Lloreda] The Armed Forces, the justice system, and the government's capacity to act. It's a set of efforts.

[EL TIEMPO] Where should budget money go?

[Lloreda] A security policy means that the State should have operating capability. We get elected every so often to restore order, so that the Liberal Party, which is bolder and more carefree, can then throw a party with the budget. There's been a 4-year party now, and we may be called in to straighten out the economy.

[EL TIEMPO] If the budget were in your hands, what areas would you expand and which ones would you slash?

[Lloreda] I would bolster the justice system, security, and the social area. I would slash grandiose projects. The problem in this country is to stop people from starving to death and being murdered.

[EL TIEMPO] To facilitate change, should presidential re-election be banned?

[Lloreda] I proposed a ban on re-election last year. It creates citizens who can be president and others who can't. Those who aspire to that office in the future must realize that they have one term, and that's all. It's a rule for what's coming.

[EL TIEMPO] What items would you point to as issues for the referendum?

[Lloreda] We've been talking about this for 2 years, and no one is spelling out what ought to be brought up. A referendum could have been avoided if in the constitutional reform they had included issues like the national electoral district, compulsory voting, the rights of the opposition....Some of these things got left behind, because the administration people voted against them. The referendum has become a mechanism for rectifying the mistaken policies of the ruling-party bloc.

[EL TIEMPO] Do you agree with the five points that have been approved for the referendum?

[Lloreda] I've examined some of them and those I agree with. When it comes to amending the constitution, the government should seek the broadest consensus. It's like a soccer game: two teams, the spectators, rules, and a referee. Everyone gets together to agree on the rules. But if the rules are not agreed upon by all, the game can't be fair.

[EL TIEMPO] What do you think of the national electoral district for peace?

[Lloreda] I agree with it.

[EL TIEMPO] How can you be so skeptical about this administration and so much in favor of that possibility?

[Lloreda] Because in that arena there is no way for the president to persecute the Conservatives. What occurs to me is that some small parties that have complied with the rules are going to say, and quite rightly: We've complied with the rules and we're not being given the opportunity of a national district for getting into Congress. In contrast, the people who've been outside the institutional order are being given that opportunity. That's the part I don't like.

[EL TIEMPO] Would you be in favor of both?

[Lloreda] Yes. So that the new forces aren't faced with that discrepancy. When the M-19 completes its first cycle in the institution, then it can start playing ball with the other tiny parties and put those seats at stake.

[EL TIEMPO] Is the initiative for peace working?

[Lloreda] Yes. Unfortunately it's not complete, because it affects just one sector. But Colombia is thinking things out. A few years ago it would have been unthinkable that we would make another attempt at peace. The country has an enormous capacity for rectification.

[EL TIEMPO] So you wouldn't be surprised if there were a dialogue with the drug traffickers in a few years, would you?

[Lloreda] The climate is not right for a dialogue now. But there is no clear distinction between what one group and the other is doing. It's disappeared. What's the difference between what the guerrillas are doing and what the drug traffickers are doing? I'm beset by doubts about the idea that the differences have disappeared. At that point there's going to be a dialogue with the drug traffickers.

* UP Candidate Discusses Political Platform

90ET0065B Bogota EL TIEMPO in Spanish 27 Nov 89 p A1

[Interview with Patriotic Union presidential candidate Bernardo Jaramillo Ossa by correspondent Maria Rosario Arrazola and Edulfo Pena; date, place not given; first two paragraphs are introduction]

[Text] He speaks of coalitions but not alliances. He is a Marxist but not a Leninist. A communist but a pluralist. Bernardo Jaramillo Ossa, the presidential candidate of Patriotic Union [UP], seeks to become a political "phenomenon" in the upcoming elections—so much so that his ambition is to garner more than a half-million votes.

So sudden is the ideological transformation that he has undergone that many doubt whether it is for real, though he defends himself "tooth and nail." Just a year and a half ago he defended the armed struggle and underscored its validity. Today under no circumstances does he think that the guerrillas have the slightest chance of victory in Colombia.

[EL TIEMPO] What differences are there between the Communist Party [PC] and Patriotic Union?

[Jaramillo] UP is not a party. It's a political movement in which various currents come together; the strongest is the PC. UP does not cling to any particular philosophy. Moreover, our agenda calls for the consolidation of democracy and does not conform to as rigid an ideology as Marxism-Leninism.

[EL TIEMPO] Do you describe yourself as a communist?

[Jaramillo] Within the discussion that is going on inside the PC, which has been jolted by changes, I describe myself as a Marxist.

[EL TIEMPO] Is it possible then that UP supports a combination of all the forms of struggle that the PC defends?

[Jaramillo] No party can impose a tactic on UP. We have been clear: We are in favor of a political solution to the armed conflict.

[EL TIEMPO] How are your relations with the party's Central Committee?

[Jaramillo] During the last congress the Central Committee underwent a major overhaul through the mechanism of the secret, free ballot. Although efforts are being made to adapt to the changes, it is very difficult, and there are limitations.

[EL TIEMPO] You speak of a generational overhaul, but the fact is that the people who are still calling the shots in the party are Gilberto Vieira, Alvaro Vasquez, and Manuel Cepeda, who have been there a long time.

[Jaramillo] They play an important role. But ideas are more important. A party cannot avoid transformations, no matter how much it might want to. People cannot be prevented from reading and thinking.

[EL TIEMPO] Do you still believe in the party's principles in spite of the changes in the socialist bloc?

[Jaramillo] I don't think that the crisis is in the science that Marx developed; it is in the model that they wanted to sell us as a result of the analysis. The masses themselves realized that it was mistaken.

[EL TIEMPO] If Marxism is not dead, will Leninism soon be?

[Jaramillo] I question Lenin's language. It is not broad enough. At the moment his principles have no validity.

[EL TIEMPO] Do the guerrillas have a raison d'etre as a tool of struggle in Colombia?

[Jaramillo] The role of the guerrillas is important. But they have to devote their energies to negotiation. That would be the biggest contribution that they could make to Colombia at this time.

[EL TIEMPO] Your remarks do not square with an interview that you gave Mexican newswoman Marta Harnecker, in which you asserted that the armed struggle had complete validity in Colombia.

[Jaramillo] It's one thing for me to accept the reasons why the guerrilla war developed. It's another for me to feel that the solution is to be found in that direction. We evolve. If we take it for granted that a single segment of society will decide for the country, then our thinking becomes pigeonholed. But if we assess all possibilities, then we adopt other views. This is the case with me.

[EL TIEMPO] But does it have validity or not?

[Jaramillo] What has validity is a negotiated political solution.

[EL TIEMPO] Does the left have a chance to win?

[Jaramillo] A predominantly left-wing government is a remote possibility, but if it's pluralist, it's the order of the day.

[EL TIEMPO] What chances does a leftist candidate have who calls for a pluralist, democratic government with the backing of a fossilized Communist Party?

[Jaramillo] I don't judge the party as a whole that way. I analyze it on the basis of the actions of the rank and file and some of its leaders who back UP policy.

[EL TIEMPO] Does that mean that there really is a faction that is opposed to your candidacy and to UP proposals?

[Jaramillo] No doubt. Dissent is legitimate, because it's part of pluralism.

[EL TIEMPO] Would UP take part in the bureaucracy of the next government?

[Jaramillo] In a democratic government, yes. In a right-wing one, no.

[EL TIEMPO] Will you enter into alliances with the M-19?

[Jaramillo] I think that the conditions are present in the March elections for a coming together of the M-19, UP, and the Democratic Front. In the presidential election we will necessarily come together. The conditions are right for it. It would be a political mistake to rule out that option.

[EL TIEMPO] Would you put aside your candidacy?

[Jaramillo] Unquestionably.

[EL TIEMPO] What is the current relationship with the FARC [Revolutionary Armed Forces of Colombia]?

[Jaramillo] There is none. There is common ground on some proposals. When the FARC say that they want to dialogue, they are in agreement with UP. But when there's shooting, ambushes, kidnaping, and extortion, we can't be in agreement.

[EL TIEMPO] Are you being threatened as much as a while ago?

[Jaramillo] Yes. Although the number of murders of UP people has declined. But there are regions where they have no one left to kill. They say that in Cordoba the dirty war is over and they're not killing UP people anymore. What's happening is that the new major leaders who are still alive are in the underground. So who are they going to kill?

[EL TIEMPO] Taking these obstacles into account, how does UP expect to do in the upcoming elections?

[Jaramillo] To get more than a half-million votes in March. And as for the presidential elections we can't speculate because we aspire to a broad movement of convergence that, if achieved, would be in a position to vie for the presidency with the rightist candidate.

[EL TIEMPO] If the FARC tried to legitimize themselves through UP, why can't the far right do likewise?

[Jaramillo] No guerrilla movement has been legitimized. It's another matter that the guerrillas and the paramilitary groups in fact exist. But that doesn't mean that people are going to support a fascist party and put it in governmental institutions.

[EL TIEMPO] What program is UP offering the country?

[Jaramillo] Participation, pluralism, full freedoms, and an end to patronage.

[EL TIEMPO] And in economic policy?

[Jaramillo] A mixed-economy model, a bigger role for government through the Industrial Development Institute, and private investment. Also, the involvement of foreign capital, but under a statute, so that Colombia is the one that sets the guidelines for investment.

[EL TIEMPO] What does your slogan "Put it there, country" mean?

[Jaramillo] We're calling on the men and women of Colombia who believe in democracy to build a new country and join hands.

[EL TIEMPO] Does UP rule out alliances with any of the current hopefuls?

[Jaramillo] Yes. We propose to discuss a program and a candidate.

* Medellin Mayor Deplores Rise in Murder Rate

90ET0065A Bogota EL TIEMPO in Spanish
24 Nov 89 p 12A

[Text] Medellin—The capital of Antioquia has recorded 3,343 homicides so far in 1989. Men, women, and children are dying every day as a result of the high murder rate. There have also been shocking assassinations this year.

According to the mayor of Medellin, Juan Gomez Martinez, the city is divided in two: "a thriving and organized city, the one that we all know, and another one without hope, one that has not had the opportunities that other sectors have had."

The latter is the one that has won the battle over the first 10 months of the year, as an average of 11 murders are committed every 24 hours.

This, at least, is the conclusion one can draw from the announcement by the secretary of the municipal government, Carlos Arturo Piedrahita Cardenas. According to him, 700 more persons met violent deaths between January and 20 November of this year than during the same period the previous year.

City officials are even more pessimistic about the year-end figures. They estimate that by the end of December the number of violent deaths in Medellin will top the 1988 figure by around 1,000.

Never before has the city, one of the most violent in the world, recorded such worrisome and particularly alarming statistics.

Medellin lived through several rashes of crime this year. For example, according to police statistics, some 20 underage children were murdered.

Another incident that shocked Medellin was the multiple murder, in late October, of 11 young women who were apparently involved with groups of hired thugs from the municipality of Bello. The bodies of the young women were found scattered around the exclusive El Poblado district in the southern part of the city.

Much to the regret of the authorities, the violence in Medellin went beyond its borders. The murders of the departmental governor, of the commander of the Antioquia Police, of the regional president of Patriotic Union, of two magistrates from Medellin Superior Court, of a former mayor, of a woman judge, and of a soccer referee, among others, jolted the country and made news around the world.

Almost all the victims were felled by hired killers.

The figures cited by the municipal official are thus a painful reality for a city that is trying at all costs to change its image in the eyes of the country and the world.

Murder also seems to be closely related to alcohol. Some 250 people were killed in November alone, and 70 percent of them were under the influence of alcohol.

The government secretary cited studies conducted by the Department for Criminological and Police Studies.

There are areas of the city (for example between 85th and 92nd streets and 51st and 52nd avenues, a section of the Aranjuez district) in which a daily survey is taken, according to the authorities' statistics.

* Government Increases Minimum Wage by 25 Percent

90ET0076B Bogota EL TIEMPO in Spanish
21 Dec 89 p 1B

[Text] On 20 December the government proposed raising the minimum wage by 25 percent, a formula which was accepted by the economic associations represented in the National Labor Council.

If the government's proposal goes into effect, the most probable outcome given the fact that the central trade union organizations have removed themselves from the process of cooperating with the government, the basic, legal wage will rise from 32,559.60 pesos to 40,700 pesos per month, a figure which works out to a daily basic wage of 1,356.66 pesos.

The proposal was made by Minister of Finance Luis Fernando Alarcon Mantilla at a ceremony opening a session of the National Labor Council, at which representatives of the seven associations with a right to speak and to vote in that organization were present.

According to the minister, the salary increase of 25 percent is adjusted for the 1989 inflation rate, which will reportedly be close to that figure.

Although the central trade union organizations did not attend the sessions of the National Labor Council, they consider that the 25-percent increase does not close the gap apparent since 1987. Outside the meeting, trade union spokesmen had asked, as a minimum, for an increase of 30 percent.

Alarcon supported the government proposal, pointing out that inflation in 1989 would be less than 26 percent, so that the workers will not lose any purchasing power.

On the contrary, he estimated that the government offer will permit an increase in the purchasing power of the workers, due to the fact that the readjustment of 27 percent, applied to the minimum wage in December 1988, is one percentage point higher than the inflation rate estimated for 1989 which, according to official calculations, will be between 25 and 26 percent.

The cabinet minister added that if we add to this adjustment the fact that inflation in 1990 will be less than 24 percent, the real wages of Colombian workers will increase by two percentage points during 1990.

Alarcon stated: "The basic purpose of the government in this matter is to adjust incomes policy to fit within the anti-inflationary strategy to which the government's economic team is committed."

Purchasing Power

The economic associations which insisted as recently as 20 December that the readjustment of the minimum wage must not reduce the purchasing power of the workers, greeted the government's salary proposal with satisfaction.

They added that if the Consumer Price Index (CPI) shows an increase of less than 26 percent, the proposal by the government's economic team will be in agreement with the positions taken by the associations within and outside of the National Labor Council.

In the opinion of Sabas Pretelt de la Vega, president of the National Federation of Businessmen (Fenalco), the new minimum wage should be close to the inflation rate. He added: "This formula makes it possible to maintain the purchasing power of wages and simultaneously opens the door to a reactivation of demand to the benefit of businessmen and workers."

The Fenalco leader expressed the hope that inflation in 1989 will turn out to be less than the minimum of 26 percent estimated by the minister of finance.

He added that, if the contrary is true, the salary increase of 25 percent proposed by the government would not meet its objective of keeping the purchasing power of the workers untouched.

After repeating his criticism of the government for the "meager results of economic growth in 1989," the president of Fenalco stated that salary cooperation is not possible without the inclusion of the trade unions.

In view of the absence of the central trade union organizations, the government and representatives of the employers abstained from joining the technical subcommittee which, behind closed doors, should "approve" the percentage increase in the minimum wage.

The association leaders pointed out that, in view of the lack of mechanisms for cooperation, the government is completely free to define the increase in the legal, basic wage, which affects nearly 3.5 million workers.

* Industrial Sector Experiences Slight Growth

90ET0076C Bogota EL TIEMPO in Spanish 13 Dec 89 p 8A

[Text] Until August 1989 the prospects were discouraging. It was even forecast that industry would have no increase in production for the year. Nevertheless, and despite the difficulties created by low demand, the situation has already begun to change. After 8 months of negative results, industry again has shown positive growth up to the end of September.

The change in the tendency is significant. Statistics on industrial growth since the beginning of the year had continued to be less than zero, although there was a small improvement in the last few months.

According to the monthly manufacturing sample of the National Administrative Department of Statistics (DANE), industrial growth, including the production of coffee, was a minus 0.06 percent up to the end of August. Not including the production of coffee, it was lower: minus 0.29 percent.

The figures for September, which EL TIEMPO obtained in advance of their release, show cumulative results for the first 9 months of the year, with a positive growth in production of 0.67 percent, including the coffee harvest. If coffee is not included, the overall indicator shows an increase of 0.13 percent.

Small Improvement

These results have been more positive than some people expected and, in part, were a "surprise," because from one month to another the change in tendency turned out to be considerable.

According to a product-by-product analysis, the reason for this behavior is due, in part, to the substantial increase in the coffee harvest. Until August there was a 3.75-percent increase in coffee production. In September the increase was 10.08 percent due to larger coffee export transactions. In the last few months (not taking into account the coffee agreement) these increases have amounted to about 1 million additional sacks.

The turnaround in coffee production has been significant, but it could be greater. Apart from the fact that the principal harvest of the year is being collected, greater coffee exports would make it possible to record a growth of 15 percent or more by the end of 1989.

Although it is true that the coffee harvest, because of i impact, could "save" industrial growth as a whole, it i also a fact that in other industrial subsectors the indications are improving.

During the first 9 months of 1989 the real growth of production in the industrial sector, not including coffee, was 0.13 percent. This was the first, positive figure for the year to date as a whole. Industrial production had declined by 0.29 percent until the end of August.

The negative figures for the past 8 months and the poor prospects which surveys reflected were the bases which led the National Federation of Businessmen (Fenalco) to predict a short while ago that those two sectors would have negative growth.

However, not only has the industrial sector recovered. Business in general is also beginning to change direction and now shows a real growth in sales, although this increase is very small, compared to what was recorded in previous years.

Better and Worse

The most recent results of the monthly manufacturing sample show substantial improvements in some products, although in reality there are still 14 subsectors with negative figures for the year.

Apart from the recovery in the production of coffee, other processed foods have continued to turn around. The cumulative record until August showed real growth of 6.23 percent. In September the real growth was 7.64 percent.

Tobacco production, which showed a decline of 8.13 percent, recovered to some extent and, during the first 9 months of 1989 showed a cumulative record of minus 4.9 percent.

In the food subsector beverages stand out. After recording a decline in production until July it now shows real, although not very considerable growth (0.26 percent).

Meanwhile, the situation affecting the textile subsector continues to be a matter for concern. The negative figure for this area reached 6.15 percent. By contrast, ready made clothing, leather and leather products, the manufacture of shoes, and the wood, paper, and wood and paper products subsector continued to record positive growth, to an increasing extent.

The figures did not increase more substantially during the 9 months as a whole, because some subsectors continue in a very depressed condition. For example, printing and related activities declined from a negative 9.22 percent to a negative 11.52 percent between August and September.

The most depressed subsectors in terms of production levels are headed by basic, nonferrous metals at a negative 24.15 percent and metallic products (except for machinery), at a negative 13.42 percent.

Machinery, electrical apparatus, transportation equipment and material, and professional and scientific equipment had negative figures worse than those accumulated through the end of August. They ranged between a negative 7.11 percent and a negative 9.95 percent.

One of the facts brought out in the cumulative totals until September is the decline, though a small one, in other petroleum products and carbon black which, from a growth of close to 1 percent in the first 8 months of 1989, fell to a negative 2.72 percent in the cumulative total until September. Meanwhile, chemical products increased another percentage point in 1 month, recording a growth of 4.13 percent.

The basic iron and steel industries also recovered, increasing production from 5.54 to 6.94 percent. This behavior, which could be greater over the next few months, is fundamentally explained by the expansion of public works activity.

Although we still do not know precisely what will happen in the next few months, some analysts of the industrial sector consider that the figures can be even better. At least, in their view, there are grounds for hope, based on the fact that production and sales traditionally increase during October and November, due to a recovery in demand during the last few weeks of the year.

* Agrarian Reform Covers 90 Percent of Territory

90ET0076D Bogota EL TIEMPO in Spanish
30 Nov 89 p 5C

[Text] The Board of Directors of Incora [Colombian Institute of Agrarian Reform] has presented a program which includes 79 areas in 23 departments. According to Carlos Ossa Escobar, the program has been hampered by a lack of knowledge concerning it by regional government bodies and high interest rates.

Some 90 percent of the country has been included in the agrarian reform program for 1990.

This was pointed out in the document submitted by the Colombian Institute of Agrarian Reform to the National Council for Economic and Social Policy (Conpes), which is scheduled to approve it before 1 December.

The Agrarian Law for 1990 will cover areas from the Atlantic Coast to the Putumayo region. It will concern 79 areas and 234 municipalities in 23 departments. The investment in areas covered by the reform will amount to 71.1078 billion pesos, of which Incora will provide 54 percent (38.774 billion pesos), while other groups will contribute 32.333 billion pesos.

The 140,000 hectares set as a goal for 1990 will cost 30.113 billion pesos. Out of the total affected area some 10,750 hectares will be earmarked for indigenous communities.

In addition to the land-purchase program there will be 639 land improvement projects for a value of 253 million pesos. At the same time 184,540 hectares of land will be awarded to 8,731 families. To complement to the agrarian reform, 125 court cases will be undertaken to cancel existing ownership covering an area of 146,287 hectares.

Property rights will also be clarified covering 56 pieces of property, and 24,756 land titles will be issued, covering 800,000 hectares of uncultivated land.

The loans involved in these transactions will amount to 6.622 billion pesos for areas covered by the agrarian reform and 2.411 billion pesos for other areas.

In cooperation with the DRI [Integrated Rural Development Program], Incora will set up 15 centers for the rental of machinery with a value of 1.447 billion pesos. These centers will have 73 tractors, 18 combines, 15 workshops, and 15 vehicles.

Under the Agrarian Reform Law some 61,933 families will receive rural business advisory services in the fields of agriculture and livestock raising. Some 4,944 courses will be conducted for 84,000 people, and 9,406 educational programs will be held for 130,882 farmers.

Beneficiaries of the agrarian reform program will receive support in terms of infrastructure, through public works which will cost 1.639 billion pesos, of which 1.280 billion will be invested in small-scale irrigation projects.

Agricultural and livestock production will be supported by 19 billion pesos extended in loans. The Caja Agraria [Agrarian Fund] will extend 12 billion pesos in loans; the Banco Ganadero [Cattlemen's Bank], 6 billion pesos in loans; and the Idema [Agricultural-Livestock Marketing Institute], DRI [Integrated Rural Development Program], and PNR [National Rehabilitation Plan] will extend another 859 million pesos in loans. The ICA [Institute of Agricultural Credit] will contribute 68 centers for technology transfer, in which it will invest 197 million pesos.

Idema will set up seven crop purchasing centers, while the National Administrative Department of Cooperatives (Dancoop), the Ministry of Education, and Sena [National Apprenticeship Service] will invest 460 million pesos in training.

To conserve natural resources, 47 projects will be undertaken; 48 projects in the field of public health; 12 projects in the field of rural electrification, 181 projects in the fields of aqueducts and sewers, and an additional 14 projects in the field of telephone service.

[Box, p 5C] Complaints by Ossa Escobar

Carlos Ossa Escobar, the director of Incora, presented to Conpes [National Council for Economic and Social Policy] and the board of directors of the institute a number of "complaints" occasioned by the behavior of different groups in the course of implementing the Agrarian Reform Law. Among others, they include the following:

"In the loans subsector obstacles have emerged in placing loans due to the reduction in the time for repayment, the elimination of grace periods, and high rates of interest."

It has been stated that regional government bodies are inadequately informed regarding agrarian reform policies, and some people have difficulty in meeting the requirements, due to the fact that the services requested have not had increases in their budgets.

Complaints have also been made regarding the limited arrangements for redirecting already budgeted funds. As a result the agrarian reform program has been limited to the availability of funds. The lack of specific methodologies for the identification and selection of projects by sector and entity was also criticized.

* Solutions Sought To Sustain Coffee Market

90ET0076A Bogota EL TIEMPO in Spanish
3 Dec 89 p 12A

[Text] Former cabinet minister Roberto Junguito Bonnet, the president of the National Association of Coffee Exporters (Asoexport), has suggested that the minimum, appropriate conditions should be studied and defined for Colombian participation in the negotiation of a new international coffee agreement.

The suggestion was made last weekend at the end of the 53rd annual assembly of Asoexport, at which exporters stated that they are in a position to participate more actively in the international coffee market and presented a series of petitions to the government and to the federation to facilitate their efforts.

For his part Rafael Espinosa, chairman of the Board of Directors of Asoexport, stated in his opening speech to the assembly that for the first time in history Colombian coffees are selling at prices below those of our closest competitors, that is, the "other, mild" coffees of the Central American countries.

Espinosa, a well known exporter, recalled that international prices have fallen to such low levels that not only have they lost half their value but price differentials or premium prices which Colombian coffee once enjoyed have completely disappeared. Some of these differentials had amounted to more than $0.20 per pound.

Espinosa and Junguito agreed that under present, free market conditions they are able to increase their participation in the market, thanks to their knowledge and proved efficiency in the international coffee trade.

The leaders of the association emphasized the policy of openness for a dialogue which the federation has followed, principally through its management of trade. They stated that they were satisfied with the work done by Minister of Finance Luis Fernando Alarcon Mantilla and the support of "his excellent group of coffee advisers."

They recognized that, thanks to the new style of a dialogue between the government, the federation, and coffee exporters, the country has been able to deal with the crisis successfully and meet the goals of coffee sales abroad.

Among the fundamental points which have been established through this dialogue, they emphasized the adjustment in the minimum refund, the implementation of the system for the transfer of resources from the National Coffee Fund to exporters to support the internal coffee price, and the change in policies affecting federation sales prices for future deliveries.

According to a recent report by the Controller General of the Republic, while National Coffee Fund income from coffee stocks was more than 26 billion pesos during the first 6 months of 1989, it fell to 1.125 billion pesos during the period from July through September.

Meanwhile, expenditures to support the internal price of coffee, which amounted to 1.864 billion pesos in September, rose to 4.735 billion pesos in October. Projected expenditures for November and December were 5.6 and 5.895 billion pesos, respectively. For this 4-month period they will amount to a little more than 18 billion pesos.

Rafael Espinosa, the chairman of the Board of Directors of Asoexport, recalled that although it is true that coffee producers have had to accept a decline in their real income and the government has had to make adjustments in the economy and reconsider its budgetary expenditures, coffee exporters have also assumed their share of sacrifice. Espinosa said: "The increased export volume has not compensated in any way for the decline in the profitability of coffee sales."

In view of the possibility that the coffee crisis will be prolonged, they asked that economic leaders, Asoexport, their representatives in the Committee of Coffee Growers, and private exporters begin to discuss external and internal sales policies openly and the major economic adjustments most appropriate to deal with the crisis.

In their respective speeches, Junguito and Espinosa asked for an analysis of the following aspects of the coffee market to deal with the free market in the best way:

- Using the futures market more actively, both by Asoexport as well as by private exporters, and acquiring the capacity to carry on physical deliveries of coffee in the market, to defend the traditional price differentials enjoyed by Colombian coffee.
- Analyzing the advantages which existing, special sales agreements have.
- Establishing "more open" rules than those recently adopted by the Monetary Committee for the sales of coffee of lower quality. To accomplish this objective, they asked that a system of bidding be adopted.
- Defining more precisely the rules of the game which should be in force for the sharing of exports between the National Coffee Fund and private exporters and among the latter, in particular. They explained that the goal would be to stimulate the most efficient producers and avoid concentrating exports on a per capita basis from each member of the National Coffee Fund.
- Periodically reviewing the cost of domestic sales of coffee to permit proper remuneration of this program without encouraging coffee producers to take improper risks.
- Studying the real situation affecting Colombian coffee production and policies for adjusting it to reality.
- Encouraging Asoexport to provide more statistical information and forecasts on variable factors affecting the coffee industry.
- Studying the policies of the Greater Colombian Merchant Fleet regarding maritime freight charges.
- Defining policies dealing with the industrialization of the coffee industry.
- Reviewing the criteria for the approval of licenses for new exporters.

Paraguay

Opposition Leader Meets Chilean President-Elect

PY1301175890 Asuncion HOY in Spanish
12 Jan 90 p 10

[All quotation marks as published]

[Text] Domingo Laino, Authentic Radical Liberal Party [PLRA] president, yesterday returned from Chile, where he met with President-elect Patricio Aylwin.

Laino said "he was well impressed by the Chilean president, whom he characterized as serious, mature, and with a great sense of flexibility. The Chilean transition is in good hands."

Laino said there is no longer any risk of another military coup, even though the Communist Party might grow because of the freedom that will exist during Aylwin's administration.

Laino said that the European leaders and parliamentarians who participated in the various lectures in Vina del Mar thought the East-West confrontation had eased and that the Eastern Bloc is adopting pluralist political systems. The fear of finding enemies from the other bloc is no longer there. The East has already accepted the ideals and principles of our Western, Christian civilization.

According to Laino, the only confrontation today is between the North and the South, between the wealthy and the discontented and humiliated poor.

Laino participated in a meeting of Latin American and European politicians in Vina del Mar to discuss "Concepts of Regional Security." The event was organized by the South American Peace Committee. Adolfo Gass, Argentine senator and leader of the Radical Civic Union; Uruguayan Deputy Roberto Asiain; Lidia Gueiler, Bolivian senator and former president; Gabriel Valdez, former Chilean foreign minister and senator-elect are among those who participated.

Laino said that the PLRA is getting ready to participate in the special sessions of Congress convened to discuss the bills establishing the new electoral framework and the organization of political parties. The PLRA president hopes that the Congress will be able to establish a legal electoral framework with truly democratic bases.

Regarding the possibility of postponing the October municipal elections, Laino said it is still too early to know because the situation first must be discussed among all political parties on an equal standing. There are two positions with solid arguments that must first be carefully analyzed, Laino concluded.

New PDC Authentic Revolutionary Movement Formed

PY1301172490 Asuncion HOY in Spanish
13 Jan 90 p 9

[Text] Luis Alfonso Resck is the head of a new Christian Democratic Party movement. The new movement is called Authentic Revolutionary [Autenticidad Revolucionaria] and it seeks to restore national prestige.

The members of this movement are: Luis Andrada Nogues, Florencio Riveros, Efigenio Fernandez, Basilio Garcia, Fermin Torres, Napoleon Ayala, Neri Alcaraz, Jose Bachero, and Estela Pasmor.

Resck is chairman of the Latin American Commitee for the Defense of Human Rights, which is part of the Christian Democratic Organization of America (ODCA).

Argentine Payment of Energy Debt Requested

PY1301171690 Asuncion HOY in Spanish
13 Jan 90 p 15

[Text] Through the Foreign Ministry, the Paraguayan Government has requested the Argentine Government pay its debt to Paraguay's ANDE [National Electric Power Organization] for the delivery of energy. This debt totals $3 million.

ANDE President Zoilo Rodas Rodas explained: "It is not that we are demanding that Argentina pay its debt. We are friendly countries, and we understand Argentina's serious situation. We also understand the efforts it is making to overcome them."

Argentina contracted this debt in December 1988. Although, during his visit to Asuncion in November, Argentine President Carlos Menem promised that Argentina would pay this debt before 10 December, the debt has not been paid.

ANDE, however, continues to supply energy—an average of 150,000 megawatts per hour—to Misiones Province, in Argentina. This energy is supplied from the Acaragy dam.

It was also reported that the two governments continue to study the possible establishment of a barter system to trade energy for hydrocarbons.

Salary, Bus Fares, Fuel, Utility Rates Adjusted

PY1701145890 Asuncion ABC COLOR in Spanish
17 Jan p 8

[Summary] On 16 January, the government decreed a 12.5 percent salary increase backdated to 1 January 1990. Thus, the minimum salary is now 184,685 guaranies per month.

As of today, urban bus fares will cost 170 guaranies from Monday through Saturday and 190 guaranies on Sundays and public holidays.

ANDE [National Electric Power Administration], CORPOSANA [Water and Sanitation Corporation], and ANTELCO [National Telecommunications Administration] rates have been increased by 10 percent. The official price of fuel has been increased by 12 percent and the new prices are as follow: regular gasoline is now 437 guaranies per liter; premium gasoline is now 487 guaranies per liter; kerosene is now 297 guaranies per liter; gas oil is now 246 guaranies per liter; fuel oil is now 155 guaranies per liter, and turbo fuel [as published] is now 297 guaranies per liter.

Peru

Garcia on Relations With Panama, Drug Summit

PY1801023890 Lima Television Peruana in Spanish
0000 18 Jan 90

[Text] President Alan Garcia has said that Peru will not sever relations with Panama but that they will continue at a lower level. The president regretted the Panamanian Government's decision to ask our charge d'affaires to leave the country as a result of Peru's criticism of the U.S. invasion and our proposal for a plebiscite to legitimize the present Panamanian Government.

[Begin recording] [Reporter] Mr President, relations between Peru and Panama are tense. What is going to happen? Will Peru sever relations with Panama?

[Garcia] No, I do not think a total severance of relations is possible. The level of our relations, however, may be lowered. This is a consequence of what we consider the real problem: A Latin American country is occupied by foreign troops, and this country is ruled by a government imposed by those foreign troops. It is true that Mr. Endara participated in an election nearly a year ago, but it is also true that he was sworn in on a military base, and that he was brought to power by foreign troops. Peru has condemned the invasion and believes that the Panamanian people should be consulted in order to legitimize the government. If this opinion—which is not only ours, but is shared by other Latin American countries—is why they have asked our representative to leave, it is very regrettable. But we should not lose sight of the real problem. This is a diplomatic incident. The real problem is the invasion of Panama.

[Reporter] Are you saying that relations may improve in the near future?

[Garcia] We are absolutely sure that a plebiscite, or a new election, and the withdrawal of foreign troops will legitimize the government. We will then be able to resume entirely normal relations with this brotherly Latin American country.

[Reporter] What exactly made you hesitate to attend the antidrug summit?

[Garcia] We have been very clear, almost repetitious, in saying that it is very difficult to maintain normal relations with a country that invaded another Latin American country. I personally was a sponsor and a strong supporter of this summit. I will wait to see what develops. I will wait in a positive frame of mind to see if it is possible to carry out the meeting. In the meantime, we will continue to work against this very grave problem of drug trafficking. [end recording]

Larco Cox Labels Former Envoy 'Agitator'

PY1801021590 Lima Television Peruana in Spanish 0000 GMT 18 Jan 90

[Text] Foreign Minister Larco Cox has said that as soon as former Peruvian Ambassador to Panama Mario Castro Arenas arrived in Panama he began a campaign to discredit Peru in the Panamanian press, thus encouraging the Endara administration to make the decision it made. This action could only come from a schemer and agitator against Peru, the foreign minister said.

The Peruvian foreign minister added that Peru does not want to break diplomatic relations with Panama because of our historical links with that country. However, given the current circumstances, Peru has no reason to remain in Panama except to protect the lives of those who sought asylum in its embassy.

Larco Cox reported that Peruvian Charge d'Affaires to Panama Luis Sandiga will arrive in Lima tonight. Sandiga told Larco Cox over the phone that he had been mistreated at the Panamanian airport.

Defense Minister Retained; Central Bank Head Out

PY1801022490 Lima Television Peruana in Spanish 0000 GMT 18 Jan 90

[Text] President Alan Garcia has announced that he has not accepted the resignation of Defense Minister Julio Velasquez Giacarini. He has, however, accepted the resignation of Central Bank President Pedro Coronado Labo.

Uruguay

President-Elect Lacalle Chooses New Ministers

Economy Minister Named

PY1501185490 Montevideo LA DEMOCRACIA in Spanish 12 Jan 90 p 3

[Summary] The President-elect's office at the Parque Hotel has announced that accountant Enrique Braga will be the future Economy Minister.

Interior Minister Designated

PY1501205290 Montevideo LA DEMOCRACIA in Spanish 12 Jan 90 p 3

[Excerpts] Juan Andres Ramirez will be the interior minister in the administration of President-Elect Luis Alberto Lacalle, according to an official announcement made late on 9 January in the Parque Hotel, where the president-elect has his headquarters. It has also been learned that Carlos Moreira, deputy-elect for Colonia Department, will be the interior under secretary.

Ramirez, 43 years of age, is a lawyer, a professor of civil rights, a columnist of EL DIA, and legal advisor to the Industry and Energy Ministry. He had been the alternate senator behind Lacalle. When Lacalle was elected president, Ramirez moved from alternate senator to senator. Ramirez will be replaced in Congress by Enrique Cardenas, who was also elected alternate senator in the 1984 elections.

After the announcement was made, Ramirez talked to the press about the guidelines of his future administration, which can be summarized as the improvement and modernization of the police, the improvement of its services, and respect for human rights.

Regarding the improvement of the police force, Ramirez said: "The search for a more effective police force involves several matters, such as the proper distribution of police officials. There are many vacancies that have not been filled because policemen have low salaries for the hard and dangerous work they do. It is therefore necessary to increase salaries."

Ramirez added that the new government "will try to find solutions to the police salary problem. The other problem is to improve the services police provide. We must also increase the professionalism of police personnel, for which the National Police School must be improved with greater technical and material resources." [passage omitted]

Ramirez also announced: "A struggle will be carried out against drug trafficking, but to do that it will be absolutely necessary to provide the police with greater technical resources, for which we will ask for international cooperation."

Regarding changes in current legislation, Ramirez said: "We must be careful because greater punishment does not necessarily decrease crimes. When there is no reasonable relationship between the seriousness of the crime and the punishment, the results are generally negative." [passage omitted]

Defense Minister Selected

PY1601164090 Buenos Aires DYN in Spanish 1946 GMT 15 Jan 90

[Text] Montevideo, 15 Jan (AFP)—President-elect Luis Lacalle today chose the fourth main minister of his future government when he offered the "all-important" Defense Ministry to Mariano Brito, who is currently the state attorney for contentious administrative issues.

Brito will oversee the Armed Forces, which recently agreed to abide by the Constitution during the first 5 years of the young Uruguayan democracy in exchange for amnesty for all military personnel charged with human rights violations during the 1973-85 dictatorship.

The Uruguayan military situation at the beginning of 1990 is characterized by serious budgetary problems, the resignation of middle-rank officers, the imminent appointment of new commanders for the three branches, and conflictive requests for promotions for officers who were charged with human rights violations.

Brito, 59, was presidential secretary in 1985 during the provisional tenure of Rafael Adiego, following the resignation of President General Gregorio Alvarez a few days before the inauguration of constitutional President Julio Sanguinetti.

The designation of Mariano Brito as Defense Minister comes at a time of severe budgetary restrictions in the Armed Forces, and "general restlessness" and subsequent "desertions" among the 32,000 men (in the "command," "service," and "technical" classifications) because of the low salaries.

Future Minister, Argentine Counterpart Meet

PY1601144290 Madrid EFE in Spanish 0049 GMT 16 Jan 90

[Text] Punta del Este, 15 Jan (EFE)—Argentine Foreign Minister Domingo Cavallo and his future Uruguayan colleague, Hector Gros Espiell, met today to analyze bilateral relations and integration plans under the government of President-elect Luis Alberto Lacalle.

During lunch at the summer residence of the wife of the Argentine ambassador to Uruguay, Cavallo and Gros Espiell talked about the ongoing fishing dispute and the financial problem of the Salto Grande binational dam.

The Uruguayan fishing industry shuts down during the southern summer months (December through March) because of the migration of fish, especially hake, to Argentine territorial waters.

Since 1985, when the two countries fully reestablished their democratic institutions, the governments of Buenos Aires and Montevideo have worked on the problem but found no solution that could incorporated into an international agreement.

Uruguayan Foreign Minister Luis Barrios Tassano, who previously briefed his successor on the fishing problem, told the local press that one possible solution was for Argentina to supply Uruguay until an agreement is signed creating a common fishing zone in territorial waters of the neighboring country.

As for the Salto Grande Dam, Cavallo and Gros Espiell talked about its financial problems and the agreement that was reached in principle by the two governments, under which the respective Central Banks take over the international financial obligations for the construction of the dam.

The Salto Grande financial problems became worse when the state-run enterprises that distribute the power it generates let their debts go unpaid. It was reported late in 1989 that the Argentine electric power company owed $200 million and the Uruguayan power company owed $50 million.

Venezuela

Foreign Minister Comments on Quayle Visit

PA1701234890 Hamburg DPA in Spanish 2224 GMT 17 Jan 90

[Text] Caracas, 17 Jan (DPA)—Foreign Affairs Minister Reinaldo Figueredo Planchart said today that U.S. Vice President Dan Quayle's visit to Venezuela following the U.S. invasion of Panama is not the "best way" for Washington to explain its policy toward Latin America.

The Venezuelan foreign affairs minister said in an interview with Caracas Channel 2 television that the Venezuelan Government will release a "very clear opinion" of Quayle's visit when this is presented through official channels.

Figueredo Planchart, quoting President Carlos Andres Perez, said relations between the United States and Latin America have been characterized by a "sort of historic misunderstanding."

The North Americans, the Venezuelan foreign minister said in another part of the interview, "do not have the virtue of making an effort to get to know the rest of the countries in the world."

Not knowing, he said, generates "problems, such as military interventions, which we believe have long been overcome by history. Latin America should make an effort so "these events are never repeated." [quotation marks as published]

"I cannot say what intention the U.S. Government has by sending their vice president to Latin America to put across their point of view on important matters, but perhaps this is not the best way," especially considering the continental reactions to the U.S. invasion of Panama.

The Venezuelan opposition also expressed its rejection of a possible visit to Caracas by the U.S. vice president. In statements to the local press, Eduardo Fernandez, secretary general of the Social Christian Party, COPEI, described Quayle's visit as "inconvenient."

Opposition Leader Says Quayle Visit 'Unsuitable'

PA1701173290 Paris AFP in Spanish 1356 GMT 17 Jan 90

[Text] Caracas, 17 Jan (AFP)—Eduardo Fernandez, president of the Christian Democratic International and leader of the Venezuelan opposition party COPEI [Social Christian Party], told the press in Caracas on 16 January that U.S. Vice President Dan Quayle's tour through Latin America would be "unsuitable and not timely."

In reference to the U.S. invasion of Panama, Fernandez said: "I believe the relations between the United States and Latin America must improve, but I am not sure whether Quayle's trip is timely or suitable, in view of the recent events."

Fernandez stated: "It is better to use other channels, allowing the dialogue to take place gradually, insofar as the United States proves it does not have a policy that would be the capitalist version of the Brezhnev Doctrine of the "limited sovereignty for satellite states." Fernandez stressed: "This dialogue should be based on mutual respect."

During a meeting of representatives of the main political parties and social democratic President Carlos Andrez Perez on 8 January, it was said that in view of the "serious setback" experienced by inter-American relations as a result of the U.S. intervention in Panama, Quayle's visit would be "unsuitable."

Guyana

Parliament Session To Resume 24 Jan

FL1301172790 Bridgetown CANA in English 1621 GMT 13 Jan 90

[Text] Georgetown, Guyana, Jan 13, CANA—Guyana's Parliament will resume its sittings on January 24 after a three-week break, President Desmond Hoyte has announced.

Hoyte is expected to use the opening session to give a "state of the nation" address, outlining his government's policies for the future development of the country. The country's 1990 national budget, which will also be presented during the new session of Parliament, is likely to be the last before general election, due by March, 1991.

A key issue to be addressed by the national assembly will be a government motion calling for the appointment of a select committee to study and determine "whether it is desirable and appropriate that the Constitution be reviewed".

Government To Sell Trading Corporation Assets

FL1301173790 Bridgetown CANA in English 1526 GMT 13 Jan 90

[Text] Georgetown, Guyana, Jan 13, CANA—The Guyana Government is proceeding with plans to sell the assets of the state-owned Guyana National Trading Corporation (GNTC), head of the Public Corporations Secretariat, Henry Bovell, has reported.

Bovell, who is paying a key role in the government's divestment programme, said that 15 properties owned by the GNTC are up for sale and already more than 20 bids to buy the assets have been received. He said it is hoped that by the end of next month the secretariat would have completed its assessment of the bids and would be in a position to submit its recommendations to the government. He said the government is interested in any credit arrangements for the acquisition of the GNTC's assets.

In an interview last week with CANA, Finance Minister Carl Greenidge had explained that many local companies interested in acquiring assets being divested by the government tend to seek arrangements which would allow them to acquire the assets on a pay-later plan. He had also pointed out that such arrangements were not in keeping with the government's own preference since the government intends to use the resources from the sale of the assets to reduce its stock of debts "so that the burden of servicing (the domestic) debt every year would not loom so large" as at present.

Ministry Monitors Dengue Fever Situation

FL1701132890 Bridgetown CANA in English 0900 GMT 17 Jan 90

[Text] Georgetown, Guyana, Jan 17, CANA— Guyana has gone on a dengue fever alert as a result of reports of a dengue outbreak in the region. The official Guyana Public Communications Agency (GPCA) reported that in response to an alert sent out by the Caribbean Epidemiology Centre (Carec) in Trinidad and Tobago, the vector control service of the Ministry of Health here is stepping up its activities to monitor the local situation.

The GPCA said some samples of blood and serum from suspected local cases have already been sent to Carec to be screened for the dengue virus and sections of the city of Georgetown and other locations will be fumigated to destroy the aedes aegypti mosquitoes and larvae that might be around. The aedes aegypti mosquito spreads the dengue virus.

The fever lasts for 2 to 7 days and is associated with severe headaches and muscular and other pains.

Suriname

Brunswijk Denies Attack on Moengo Impending

FL1701175290 Paramaribo International Service in English 1730 GMT 17 Jan 90

[Text] Jungle Commando leader Ronnie Brunswijk yesterday told the daily DE WARE TIJD that he doesn't expect an attack on the bauxite town of Moengo in the Marowijne District. Brunswijk said this in reaction to statements by the leader of the so-called Union for Liberation, (Kofe Ajon Pong). (Ajon Pong) had stated over the last [word indistinct] that he has hard facts about an impending attack on Moengo.

According to the Jungle Commander leader, his absence at Moengo has led to confusion among his foremen and, therefore, there was a misunderstanding about a presumed attack on Moengo.

Following mediation by the Military Authority, Brunswijk on Monday night last [15 January] arrived in Moengo on an aircraft from the Gonini Airways. The state of alert by illegal armed groups in the bauxite town of Moengo has, in the meantime, been lifted.

Brunswijk Says Peace Process Not Endangered

FL1701174290 Paramaribo International Service in English 1730 GMT 17 Jan 90

[Text] The leader of the Jungle Commando, Ronnie Brunswijk, says that the peace process hasn't been endangered by the recent developments in the Brokopondo area. According to Brunswijk, the Jungle Commando foremen, (Baraba) and (Papadu), were arrested in the first instance because they held discussions with Army Commander Desi Bouterse without his permission. Both men have, in the meantime, been released and are operating in the bauxite town of Moengo, according to Brunswijk.

The Jungle Commando leader says that all the agreements between his foremen and Army leader Desi Bouterse in relation to the safety of the Brokopondo area are still intact. Brunswijk says he has no doubt that Bouterse will keep his word on all agreements made with him. He believes that soon a new meeting will take place between the Army commander, Desi Bouterse, and himself.

Gasoline, Diesel Oil Price Hikes Approved

FL1701191890 Paramaribo International Service in English 1730 GMT 17 Jan 90

[Text] The prices of all gasoline products and diesel oil have increased since yesterday. The three oil companies of Suriname—Shell, Esso, and Texaco—jointly jacked up the prices of gasoline products by 5 cents a liter and 3 cents for diesel oil. These price increases have been approved by the government. The sales manager of Esso Suriname, Abraham Brandon, expressed, however, that the price increases after the first quarter of this year will drop again. According to Brandon, the price increases are the result of a strong [word indistinct] in Europe which has frozen all refineries and has [words indistinct] of the prices abroad. Because of this, more foreign currency has to be paid for gasoline products and diesel oil in Suriname. These price increases are the first hikes in gasoline after almost 4 years.